RESIDENTIAL LAND DEVELOPMENT REGULATION IN THE TWIN CITIES METROPOLITAN AREA

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Acknowledgments:

The authors with to express their appreciation for the substantial contributions of Thomas Baerwald in developing and shaping this study. His suggestions were very helpful in defining major issues and concepts and finding the "woods" in a forest of "trees." Much credit is also due to James R. Hill and his associates at the Twin Cities Housing Council for proposing the study and providing valuable comments and criticisms.

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I. INTRODUCTION

This study was undertaken late in 1980 by the Center for Urban and Regional Affairs of the University of Minnesota at the request of the Twin Cities Housing Council representing the home building industry of the Twin Cities Metropolitan Area. It examines the residential development process at all levels of government and presents findings and recommendations.

Builders and developers have long played a pivotal role in the growth and development of the metropolitan area. Their task, however, has become much more complicated over the past 20 years with the growth of metropolitan and municipal constraints and the advent of environmental concerns at the local, state and federal levels. Developers may be involved with a dozen state agencies, federal agencies and watershed districts as well as the local municipality.

Today a developer may find it necessary to employ a host of specialists in order to assure himself and the regulatory agencies that he is meeting the spirit and the letter of the law. Each added service is either directly or indirectly reflected in the market price for houses.

Developers' concerns with a seemingly unwieldy and sometimes capricious process have been mirrored at all levels of government. Dozens of conferences have been held and inquiries have been undertaken. On the national level, a HUD commissioned study of Area-Wide Environmental Assessment has recently been completed, although its report is not yet available. An accompanying annotated bibliography includes 800 items. Specifically in Minnesota, changes of various kinds have been proposed from a long list of legislative recommendations by the League of Metropolitan Municipalities to the overhaul of the environmental impact regulations being considered by the State Environmental Quality Board.

Frustration is widespread in the Twin Cities area among builders and developers engaged in land development. In the nation, in Minnesota and in the Twin Cities Metropolitan Area the housing crisis grows and the gap between prices and incomes continues to widen. Despite expressions of concern by both private industry and governmental spokesmen, the costs of regulation continue to increase. These costs add to the burdens of escalating land and construction costs and high interest rates.

They are of particular concern since the recent Metropolitan Council Housing Market Study sees a probable metropolitan need for 178,000 new housing units in the 1980s, approximately equal to production in the 1970s. For the next decade, however, the emphasis will increasingly be directed to the new householder as the baby boom of the 1950s is fully reflected in the housing market. Developers and builders agree with this analysis as they find the greatest part of the potential market in the first time house buyer.

This group is willing to settle for a smaller house which may be a townhouse (townhome) or condominium. The industry wants to respond but is frequently faced with municipal standards which eliminate smaller houses, and add to the costs of land development. It finds municipal and neighborhood attitudes which make attached housing difficult or impossible to achieve.

There are some outstanding exceptions to these conditions. Many communities involved in our survey were rated positive towards growth by builders having recent experience in them. Even in these communities, however, the costs of land development have soared in recent years. Municipal governments are pressed by increasing demands for public facilities and services and decreasing state revenues and the unwillingness of local taxpayers to pay for them. As a result, the front-end costs of new housing go up. One large builder estimates that developed land costs for essentially the same house have risen from $4,000 per lot in 1964 to $16,000 in 1980.

In the face of these conditions, we found a number of builders who were much involved in the production of lower priced houses in the late 1960s and early 1970s but are now exclusively building at the upper end of the scale. A dwindling number are still attempting to meet the need of the growing ranks of first time home buyers with smaller, less expensive units, but find it increasingly difficult. Unlike 1975 when the Modest Cost Housing Committee found that builders were not building down to minimum house and lot square footage requirements, land developers are now seeking to get those minimums reduced as they find a market for smaller houses. Municipalities are afraid to respond for fear they will be inundated with proposals for houses smaller than the current standard in the community.

The private housing development industry is caught in an uncomfortable dilemna. On the one hand, it wishes to respond to the market and the the exhortations to build for the moderate income buyer. On the other hand, it is bound by restrictions which make this virtually impossible. Each delay, each restriction, each uncertainty adds to the final cost of the house which is passed along to the buyer.

The report is based on a study of proposals for improvement made both locally and nationally, analysis of a questionnaire circulated to the area's homebuilders, interviews with builders and developers and with local officials in some 30 metropolitan municipalities and discussions with state and federal officials. Its content however is solely the responsibility of its authors and does not necessarily reflect the attitude of the Center for Urban and Regional Affairs or the University of Minnesota.

Home builders and developers, municipal planners and other governmental officials have been generous with their time, ideas and suggestions. We have found them to be candid, helpful and creative in discussing and analyzing an admittedly complicated subject.

The first section of the report, Survey Report and Recommendations, appeared in substantially the same form as an article in the January 1982, CURA Reporter.

II. SUMMARY REPORT AND RECOMMENDATIONS

> Substantive controls may be as vigorous and comprehensive as any community could reasonably wish without serious protest from development interests, as long the decision making is quick, cheap, straightforward, fair and predictable.
>
> Kirk Wickersham, Jr.

> I have made an inviolable commitment to myself to never, ever build another home requiring governmental approval of any kind. Governmental intervention into housing causes nothing but harassment, delays, expensive wastes of time and benefits no one.
>
> A Twin City Builder, 1981

Despite a high and sustained housing need, based largely on the current high family formation rate, the home building industry locally and nationally is in a state of crisis. High interest rates, escalating land costs, shortage of available land all contribute to the problem. The spreading web of development regulation plays an important role. It adds to housing costs and it requires the developer to develop a whole set of skills. As a result, it has become increasingly difficult for new people to enter the residential development field and for experienced builders to continue.

The CURA study was concerned with the time involved in threading through the regulatory maze and the costs that accrued as a result for developer, builder and consumer. In some cities the subdivision process can take as little as two or three months if no state or federal permits are involved. If an Environmental Impact Statement is required, a zoning variance is requested, or a number of permits from state and federal agencies are needed, it may take up to two to three years. Even a few months delay can add thousands of dollars to the costs of development.

A developer who can find a site without close neighbors, which is devoid of water, wetlands, hills and wildlife, and is in a community whose government is favorable to growth, can proceed with relative dispatch. This is particularly true if the developer proposes to build single family detached housing consistent with the general price level in the community and in accord with existing zoning. If all of these conditions are not present, there will be difficulties and delays. Some developers are aware of these circumstances and avoid land with environmental problems. Others reject sites where there are concerned neighbors.

THE REGULATORY MAZE

Including the municipality, six levels of government are involved in land development regulation under various legislative mandates: the city, the county, the Metropolitan Council, the state, the federal government and the watershed districts (see Figure 1). A particular development may not necessarily

involve all six levels of government, but it sometimes does. The multiplicity of agencies and levels is in itself burdensome.

Each of the regulating agencies or governmental entities receives its mandate from specific state or federal legislation, some of which dates back to the nineteenth century. The controls flow from three different streams of legislation. One deals with protection of public health and safety. A second is concerned with land use planning and zoning, and a third with the conservation of natural resources and protection of the environment. Relatively little delegation across departmental lines or from one level of government to another has been achieved partly at least because responsibilities at the state and federal levels are viewed as ministerial while those at the local level are seen as primarily political.

Municipal Regulation

Basic land use regulation has been placed by the state legislature in cities or, in the case of townships, in the county and is expressed in zoning and subdivision ordinances.

Traditionally, land uses were established by zoning and permits were issued promptly for a development that was consistent with the provisions of the ordinance. With the advent of planned unit development, planned residential development, cluster zoning, and other flexible zoning provisions, decisions about land use moved from the time the zoning ordinance was adopted to the time the city council approved a particular proposed development. Land use, site layout, densities, and amenities all became, to a greater or lesser extent, open to negotiations between the developer and the city. The resulting flexibility frequently leads to more effective and efficient land use.

Presumably, planned unit zoning will be accompanied by performance standards which are set forth either in the ordinance or in actions of the planning commission and of the city council. The developer must show how he will meet these standards. Actually, the standards and their interpretation are often in the heads of the municipal staff. Their specific application may appear to the developer to be more a matter of whim than of principle. In any event, delaying the major decisions to the time of approval of the specific development creates an atmosphere of uncertainty. The fixed specification standards of traditional zoning were rigid but certain. The performance standards of planned unit zoning are flexible and may be uncertain in their application.

A discretionary decision-making system makes heavy and costly informational demands both upon the developer and the municipality. Both the developer and municipality must arm themselves with various kinds of professional expertise in order to make the necessary judgements. This responsibility has greatly expanded as municipal officials have become more conscious of the environmental impact of development and are called upon to assess environmental effects prior to the approval of any development.

During the course of the CURA study, municipal planners and development officials from some 30 metropolitan municipalities were interviewed concerning their subdivision and planned development procedures. Each municipal process seems to have its own unique features. They reflect differing community

Figure 1: GOVERNMENT BODIES MOST COMMONLY INVOLVED IN REGULATION OF HOUSING DEVELOPMENT

	Local Authority	Regional Authority	State Authority	Federal Authority
Specific Approval or Permitting Authority	• Municipalities • Townships • Counties • Watershed District Boards	• Metropolitan Council • Metropolitan Waste Control Commission	• Environmental Quality Board • Department of Natural Resources • Pollution Control Agency • Department of Health	• Department of Housing and Urban Development -- Federal Housing Administration • Veterans Administration • Army Corps of Engineers • Environmental Protection Agency
Generally only Recommending Authority	• County Soil and Water Conservation Boards • Joint Powers Commissions		• Minnesota Historical Society	• Fish and Wildlife Service

attitudes towards growth, local institutional arrangements, and the idiosyncracies and personalities of local staff members and officials, as well as the size and complexity of the community.

Municipal attitude toward growth is a key element. We questioned builders and developers about the 48 municipalities in which they were active during 1980. Fifteen of these communities were rated unanimously by the builders working in them as being positive toward growth (see map). In comparing the cities rated as positive toward growth with those rated negative toward, we found that the builders felt these cities more likely to have satisfactory processing speed (97 percent compared to 57 percent), to have few or no excessive building requirements (64 percent compared to 0), and to have a competent staff (86 percent compared to 12 percent).*

Most of the problems, we discovered, develop in connection with the land development requests. Land developers were less likely to be satisfied with the local regulatory process than were builders who did no land development. In 22 municipalities in which both groups worked in 1980, 25 percent of the land developers said there were many excessive requirements as compared with 10 percent of other builders, 52 percent of land developers rated staff competence as good as compared with 80 percent of other builders, and 77 percent of the land developers felt they were fully informed compared with 94 percent of other builders. Land developers were also much more likely to have dealt with state or federal permitting agencies than were the other builders. Fifty-three percent of the land developers had dealt with one or more federal or state agencies as compared with 12 percent of the builders.**

State and Federal Regulations

It is at the state and federal level of regulation that the government maze becomes most confusing. The multiplicity of agencies frequently with apparently overlapping jurisdiction has greatly complicated the home building scene, particularly in connection with regulations about water and the enviionment.

Water: Controls over water management and the use of sites which include or are adjacent to lakes, streams, wetlands, or drainage areas exist at every level of government. As these controls have multiplied, the possibility of consistent and rational statewide water management has become more illusory. Planning water use, protecting water quality, and permitting any changes have been handled by different bodies. However, by 1982 recent studies by the State Water Planning Board and the Metropolitan Council may result in decisions and legislative changes that begin to create an effective system for such water management.

These studies have been critical of the numbers of bodies involved in

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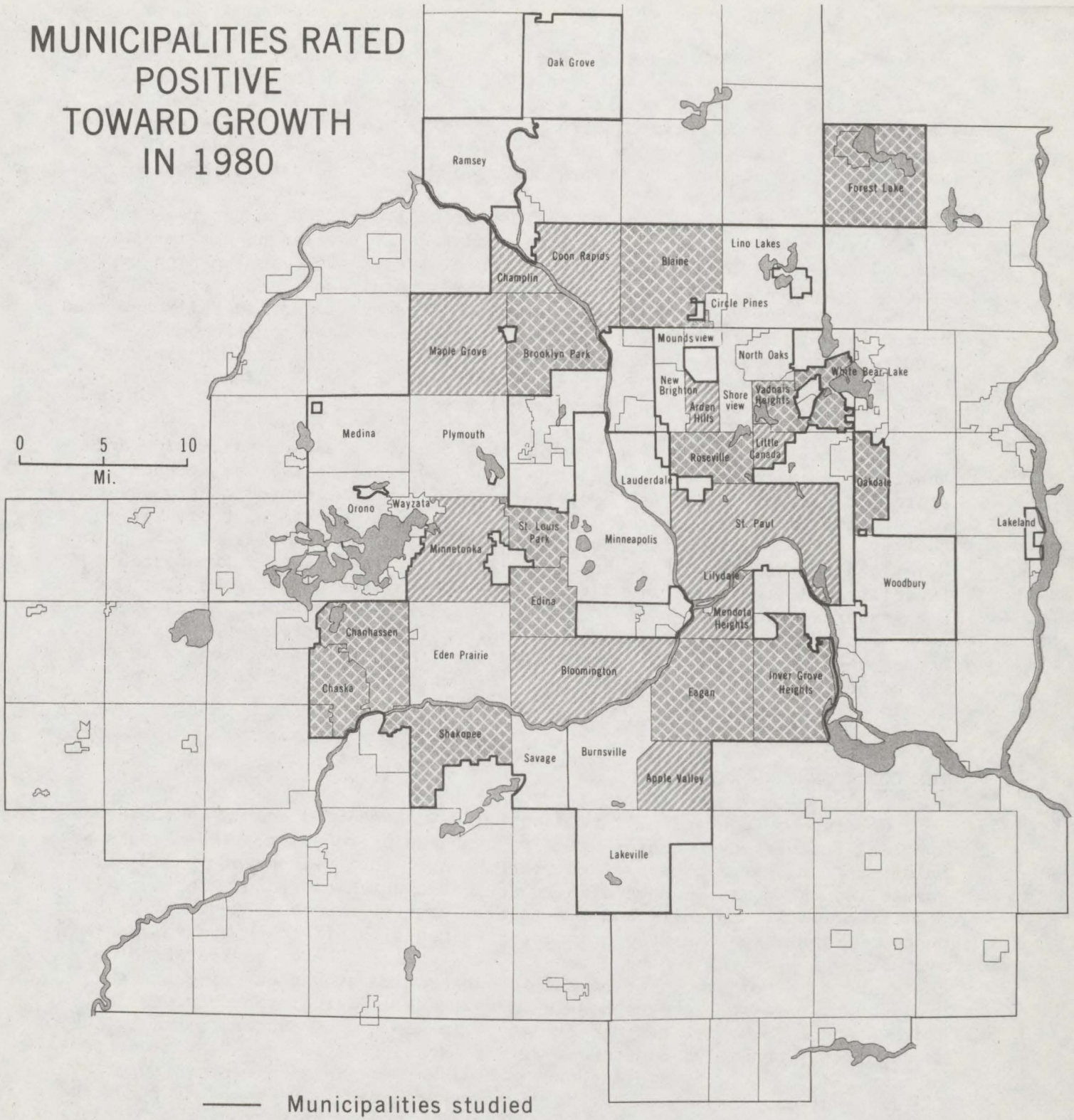
* Data derived from questionnaire responses from 107 builders and developers who were members of the Minneapolis and St. Paul Homebuilders Associations and worked in the communities indicated on the map.

** Data based on 34 developers and 73 builders.

MUNICIPALITIES RATED POSITIVE TOWARD GROWTH IN 1980



—— Municipalities studied

Municipalities rated positive toward growth

by all builders working in them

by a majority of builders working in them

water issues and see a redesigning of responsibilities as the crucial issue. The Water Planning Board determined that 16 state agencies administer at least 80 different water related programs and the Metropolitan Council found at least 36 different government agencies other than cities playing a role in water management in the metropolitan area. This includes the watershed districts and the County Soil and Water Conservation Corps.

Environment: Nationwide concern for the natural environment has resulted in new systems of control at the state and federal levels and has invigorated older ones. The National Environmental Act of 1969, implemented by executive orders in 1970 and amended in 1977, requires all federal agencies to prepare an Environmental Impact Statement for any major federally assisted action "significantly effecting the quality of the human environment." The requirements of the National Environmental Policy Act and its Minnesota counterpart, the Minnesota Environmental Policy Act, were added to other state and federal permitting responsibilities.

The lack of coordination between the land use planning and zoning and subdivision control on the local level and environmental review at the state and federal levels has been a source of frustration and costly delays for developers. The proposed new regulation of the state Environmental Quality Board by delegating more responsibility to municipalities will help alleviate the problem (while it may well create others). A further step is still needed. Municipal-wide or area-wide environmental assessment has been endorsed by a number of local and national organizations. This would move most of the environmental analysis into the community planning stage before any specific projects are considered, thus letting developers know where they stand before they propose a project and reducing costs to the developer and the consumer.

THE COSTS OF REGULATION

Government regulation of residential development is costly to the developer and builder and therefore also to the housing consumer. These costs are balanced to a degree by increased protection of the environment, residential amenities, and a maintenance of high standards which contribute to the quality of life. Builders and developers, however, contend that many of the costs of regulation are not accompanied by benefits either to the residents or the development or to the community as a whole. There are four kinds of costs due to regulation: costs due to substantive provisions of codes and ordinances, costs due to low housing densities, municipal fees and charges, and costs due to delays and uncertainty. An additional factor, noted by the Metropolitan Council's Modest Cost Private Housing Committee, "is the decrease in competition, decrease in innovation and decrease in efficiency created by a climate of uncertainty in the development process." The home buyer and the larger community suffer because the enterprise and creativity of the builders are stifled. Builders and developers become cautious and stick to the tried and true. Meanwhile, those who do not have the resources to face uncertainties are frustrated from the start or withdraw, thus reducing competition.

Codes and Ordinances

The CURA study did not directly explore the cost variations in different city's substantive requirements in their codes and ordinances. A recent study of the Metropolitan Council and the League of Metropolitan Municipalities, however, shows a differential of 10 percent in the cost of a house between one location and another resulting from differences in municipal substantive requirements. Thus a house which costs $60,000 in one metropolitan city may cost $66,000 in another due to differneces in building and site development requirements.

Housing Density

Even where there are no variations in other substantive provisions, zoning requirements as to density and lot size significantly affect housing costs. Raw land cost varies directly with the size of the lot and land development costs follow suit. In a New Jersey study the lot development cost of a one acre lot (43,560 square feet) was two and one half times the cost of a 7,500 square foot lot ($18,185 compared to $7,527) while the raw land costs would have been almost six times greater. Other studies have made similar findings. Thus the low density and large lot size requirements of many metropolitan area municipalities are a major factor in housing costs. The identical house on a one acre lot will cost substantially more than it would on a much smaller lot. Proposals by developers to build higher density housing, however, virtually always meet with determined neighborhood opposition even in cases where the density is permitted under the zoning ordinances.

Municipal Fees and Charges

Developers and builders who work in different municipalities in the metropolitan area face widely varying attitudes towards the funding of city services. These attitudes are reflected in the structure and level of municipal fees for planning, development, building permits, and sewer charges. To look more closely at the resulting costs to developers and builders, data from 12 cities was assembled.*

City planners, engineers, and building inspectors were asked for the cost of certain services and processes in two hypothetical situations within their own cities. One of these was a single family house, modestly priced at $50,000 to be built with certain specified amenities and equipment. The other was an area of 50 acres to be developed for 150 single family houses on properly zoned land.

Cities were not consistently high or low in their separate charges for permits, planning, and development fees. Composite figures were assembled for each city by dividing the platting and park dedication fees for the subdivision, usually paid by the developer, by the 150 units to give a per unit

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* Apple Valley, Bloomington, Brooklyn Park, Coon Rapids, Cottage Grove, Eagan, Eden Prairie, Lakeville, Lino Lakes, Maple Grove, Plymouth, and Woodbury.

cost for these charges. This was added to the permit and sewer charges per unit, usually paid by the builder.

The total estimated charges per housing unit range from under $1,100 to over $2,400. Based on municipal charges alone, a house in Lino Lakes would cost $1,400 more than a house in Lakeville (and probably in Maple Grove).

Costs of Delay and Uncertainty

Any delay in residential development is costly if money or time has already been invested. How costly will depend on the length of the delay, the stage of development, and the season of the year in which it occurs.

The process of land subdivision and residential construction is most efficient when it can be planned in advance and each stage precisely anticipated. Unanticipated events which interrupt the flow of work are extremely expensive; crews may have to be pulled off of a job, new wage rates may come into effect, mortgaged money may lie idle while interest compounds, and sales opportunities may be missed.

If a developer's plans are well advanced and a marketing program has been started or scheduled, delays can be very expensive. One local development was stopped when it was well underway because a change in the law required an Environmental Assessment Worksheet, which the developer had not known about. The developer estimates that his added costs amounted to $100 per day per unit for a period of more than a month while the EAW was hastily prepared. As a result of the EAW, no changes were required! If the delay had occurred earlier, costs would have been far less.

Because of tradition and climate, the Minnesota home building and selling season is fairly well defined. If the developer's and/or builder's schedule is disrupted, losses may be out of proportion to the actual time involved. In another unfortunate incident, an archeological study which had not been anticipated by the developer, was required for a proposed big subdivision. The 30 day delay might not have been as significant in November, but it was crucial in July and lost a large part of the selling season.

Developers believe that many city and state officials have little insight into the effects of delay on their operations. They feel that the review of subdivisions at the municipal level and the consideration of permits at state and federal levels are given no real priority. It appeared to us that government staff people working directly with development proposals, intended to move them efficiently through review processes, but these processes have cumbersome time consuming steps.

In some cases the permitting agencies say that they do not have the staff to carry out their legislative mandate to prepare plans and standards and renew applications promptly. They have been given planning and permitting responsibilities without adequate funding to support them.

Although delay costs money, actual figures are hard to get. Many land developers indicated that it was impossible for them to make specific estimates;

Table 1: COSTS FOR THE SAME HOUSE UNDER HIGH AND LOW COST ASSUMPTIONS

	Low Cost Assumptions	High Cost Assumptions
Construction Costs	$60,000	$66,000
Raw Land	1,376	8,000
Land Development	5,555	15,000
Municipal Fees	1,000	2,400
Delay	-0-	1,800
TOTAL	$67,931	$93,200

Assumptions: Essentially the same house is built in each instance. Low cost is on a 7,500 square foot lot in a municipality with lowest fees and charges, least costly substantive requirements in the city codes and ordinances, and an expeditious process. High cost is with a one acre lot, highest municipal fees, most costly substantive requirements, and a six month delay due to regulation complications.

each case differed and any average would be based on guess work. We were, however, able to work out a few hypothetical cases which may be fairly representative.

In one situation, a developer invests $18,000 per acre before being faced with an unanticipated delay. The holding costs alone at 20 percent per annum amount to $9.86 per acre per day. Additional overhead, permanent mortgage expenses, and profit increase this amount by 34 percent to a total of $13.21 per acre per day. At 2.5 lots per acre this amounts to $5.28 per lot per day. A three month delay causes the cost of each house to increase by $475. In another case, a 52 lot development experiences a number of delays and is faced with applying for a permit from the Army Corps of Engineers. The cost of the resulting delays is $13.46 per lot per day. A 90 day delay raises the price of each house by $1,211 in constant dollars.

If all of these direct costs of regulation -- codes and ordinances, housing density, municipal fees, and delays and uncertainties -- are added together, they can make a substantial difference in the cost of a house (see Table 1). A house on an acre lot in a municipality with high fees, a lengthy process, and expensive substantive building and site development requirements may cost as much as one-third more than the same house on a 7,500 square foot lot in a low cost municipality with an expeditious process. While it is unlikely that all of these cost raising elements will occur on any one particular project, many of them are closely linked and occur simultaneously.

NEIGHBORHOOD OPPOSITION

Escalating housing costs are directly affected by a rising tide of neighborhood opposition to higher density housing in the Twin Cities metropolitan area. Most builders and developers, and many city planners and municipal development officials, point to the attitude of the present owners of single family homes in the local neighborhoods as the single most important factor in determining the future of residential development.

Land developers are increasingly caught between the opposing sides of a bitter undeclared conflict. On the one side are the Metropolitan Council objectives of making housing available to a wide range of occupants through the building of some medium and higher density housing. On the other side are the neighborhood home owners, sometimes allied with environmentally concerned agencies and organizations. Any increase in density or change in housing type is seen by the neighborhood forces as a threat to their property values, their peace of mind, and their way of life.

Frequently local objections are couched in environmental or land use terms. It is said that the proposed development will disturb environmentally sensitive areas or will generate too much local traffic. Perhaps more significant is a prejudice against renters, condominium owners, or occupants of lower priced housing. Opposition is particularly bitter when the builder's proposal is seen as unconventional as, for example, for a planned residential development with cluster housing.

The concern expressed by the present residents about the environment is

often quite understandable and may be well founded. Earlier settlers may have selected the area partially because of woods or open areas close at hand. When more housing is proposed, the amenity provided by the open space may disappear.

A number of fairly spectacular cases have been pointed out. In one municipality, a builder was forced to reduce density to about one-half that called for in the zoning ordinance in order to obtain approval for a condominium development, resulting in doubled per unit land cost, higher development costs, and consequently higher prices to the buyer. In another, the builder could not get townhouses approved in a staged planned unit development although they were called for by the municipality approved plan. In this case, single family houses had been built on adjacent land in an earlier stage of development and the new homeowners now opposed the townhouses. In this sort of situation, although they might be successful, developers are reluctant to seek a remedy through the courts. They wish to continue to work in the municipality and do not want to antagonize local city officials.

In less developed municipalities, at the fringes of the metropolitan area, the neighborhood opposition issue is often less acute simply because there are no established neighbors and the developer's proposal is similar to existing housing. In the more fully developed municipalities, land that is now being sought out and developed was passed over earlier.

Builders and developers are becoming reluctant to chance neighborhood opposition. They are beginning to test the water before spending money and time on subdivision plans. Some major developers have told us that they will not buy land if after investigation they feel there will be any opposition. They cannot afford to be known as disrupters of neighborhoods and do not want to risk the uncertainties of organized opposition.

Neighborhood opposition thus tends to thwart metropolitan housing and land use objectives and raises housing costs in two ways. First, lower cost higher density housing which the Metropolitan Council, many city governments, builders and developers would like to promote in the suburbs meets the most neighborhood objection. Second, infill sites are parcels on which the metropolitan development framework seeks to focus development but these sites are the most likely to encounter opposition by neighboring residents.

Obviously there is no simple solution. Each case is different and many of them involve two or more perspectives which are difficult or impossible to compromise. If the developer accedes to neighborhood objections, he may come up with a solution which is unacceptable to the Metropolitan Council or the municipality. A good deal can be accomplished by early discussions between a developer and homeowners in adjacent neighborhoods and by city-wide environmental impact analysis coordinated with the comprehensive plan. As it stands, however, neighborhood opposition contributes substantially to uncertainty and delay and bolsters the high cost of housing.

SOME CONCLUSIONS

In conclusion here are some of the major themes that run through this and other studies of the residential regulatory process:

- The regulatory process, despite well meaning efforts to simplify it, tends to get longer and more complex.
- Land use regulation at the municipal level and environmental regulation at other levels of government are not well coordinated.
- Coordination of environmental assessment with municipal comprehensive planning will help by moving major decisions up into the planning stage.
- Effective planning can shorten and simplify the regulatory process by removing uncertainty.
- Land development regulation increasingly requires specialized talents both on the part of the developers and the regulators.
- The functions of land development and homebuilding are becoming increasingly separated. Land development is more and more frequently in the hands of specialized, usually large, companies which sometimes also do home building. Many home builders are buying their lots from land developers. Some land developers are encouraging low volume builders.
- The efforts of the Metropolitan Council and the Association of Metropolitan Municipalities to improve residential regulation have had positive payoffs. More needs to be done.
- Frequently the concerned neighborhood, fearful for its life style and property values, is the problem. Exhortations to local officials to "be brave" are unlikely to be effective unless the consensus of the broader community is behind them and is strongly articulated. Developers sometimes can allay neighborhood fears if they talk with neighbors early.
- Concern for water resources and wetlands is the most pervasive environmental factor in residential development. Water resource management has presented a confused and complex picture for many years. The state and the Metropolitan Council have developed different water management proposals which hopefully can be coordinated.
- In many areas there is a broad coincidence of interest between the Metropolitan Council, municipal government, the developer, the home builder, and the environmentalist which should be nurtured wherever possible.

RECOMMENDATIONS

1. Regional Development Resource Center
   A Regional Development Resource Center should be established in the Metropolitan Council to provide information and services to municipalities, developers, builders, consultants, and the general public and to manage a collection of materials and data relating to regional development.

2. Community-Wide Environmental Assessment
   The state legislature should direct each municipality in the Twin Cities metropolitan area to prepare a municipal environmental assessment report consistent with its comprehensive municipal plan.

3. Delegation of Authority to Municipalities
   The state legislature should consider further delegation of state permitting authority to municipalities while maintaining standard setting responsibility in the state agencies.

4. Water Resource Management
   The state legislature should give full attention to the impact that water resource management proposals will have on the land development process. The Metropolitan Council or its proposed sub-agency, the Metropolitan Water Management Organization, should be the major planning and programming agency in the metropolitan area with permitting authority placed in the municipalities under metropolitan agency supervision.

5. Historical and Archeological Sites
   The state legislature should provide funds to expedite the inventory of significant historical and archeological sites by the Historical Society.

6. Legislative Concern for Processing Efficiency
   The state legislature should direct all state agencies involved in reviewing and approving residential developments to give their permitting activity high priority.

7. Permit Guide
   The Metropolitan Council should prepare and keep current a Permit Guide which describes each type of permit required for a residential subdivision and the conditions under which it is required, identifying where detailed information can be obtained.

8. Development Handbook
   Working with the Twin Cities Housing Council and the Association of Metropolitan Municipalities, the Metropolitan Council should develop a model residential development handbook to be used by municipalities and altered to fit their own needs.

9. Analysis of Residential Subdivision Fees
   The Metropolitan Council should expedite its proposed study of fees charged residential developers in the Twin Cities metropolitan area.

10. Subdivision Procedure
Municipalities should adopt the new state subdivision procedures.

11. Simultaneous Review
Municipalities should incorporate practices in their subdivision review processes that encourage simultaneous review by all parts of the municipal government as well as by watershed districts and state and federal agencies. They should consider adopting the pre-application advisory meeting technique.

12. Citizen Participation
Municipalities should encourage widespread citizen participation early in the planning process in order to raise questions of desnity, building type, and environmental impact prior to a specific development proposal.

III. BUILDER AND DEVELOPER SURVEY

Early in 1981 the opinions and experiences of builders and developers currently actively involved in residential development were sampled through a mail survey. They were asked questions about the size of their operation, duration of their experience in residential building and the nature of their experience with the various municipalities in which they had recently worked. We hoped to find out whether builders and developers discriminated between the various municipalities in which they worked finding some easier to work in and more receptive than others.

The survey questionnaire was sent to the active homebuilders listed in the directories of the Minneapolis Builders Association and the St. Paul Area Builders Association.

Of 390 firms initially contacted 147 were excluded because they were not currently in the building or development field or could not be reached after frequent follow-up by mail and phone. A few refused to fill out the questionnaire. An unknown additional number apparently were still active but had built no houses in 1980. Ultimately 107 responses were received.

The second page of the survey form was keyed to the builder's experience in particular communities in which he had worked. Respondents were asked to submit one copy of this second sheet for each municipality in which they had worked in 1979 or 1980. Most had worked in more than one municipality and the number of "municipality" responses totalled 185 covering 45 municipalities.

Although the questionnaire requested many different kinds of information from the builders, there were some things it did not or could not measure. In particular, the questionnaire "picks up" at a point in the building or development process at which a developer or builder has already decided to build in a certain community; it then asks him to respond to the conditions he found in that particular community. What the survey did not measure are the reservations which made the builder or developer decide to build in one place and not to build in any one of a number of other places. These decisions not to build in specific communities may represent negative impressions of the amount and nature of regulation in them. This may bias the survey results towards satisfaction with the regulatory process as some municipalities where the process had proved particularly difficult may have been eliminated.

The results of the survey should not be held to a standard of statistical significance -- i.e., no claim to accuracy within limits of statistical error is being made here. The number of respondents to the survey, the inability to define the actual universe, the fact that a developer or builder got one "vote," as it were, for each community he worked in, and the generally impressionistic nature of the questions would preclude this. The results therefore are presented as impressions of the kind and degree of problems found in the building and development permit process.

Respondents

One hundred seven builders and or developers responded. They had worked in 45 different municipalities in the Metropolitan Area in 1979 and 1980. As some of the builders has worked in more than one city, there are 185 responses covering the 45 communities. On the average, between three and four builders responded for each community.

Municipalities Covered by the Survey

Each of the 45 communities rated in the survey was rated by 1 to 15 builders:

- 5 communities were rated by 10 to 15 builders
- 7 were rated by 5 to 9 builders
- 3 were rated by 4 builders
- 8 were rated by 3 builders
- 8 were rated by 2 builders
- 14 were rated by 1 builder

Map A indicated all of the municipalities covered by the survey.

The 12 muncipalities rated by five or more builders were:

- Apple Valley
- Bloomington
- Brooklyn Park
- Coon Rapids
- Eden Prairie
- Edina
- Maple Grove
- Minneapolis
- Minnetonka
- Plymouth
- St. Paul
- Shorewood

With the exception of Minneapolis, St. Paul, and Bloomington, the three largest municipalities in the Metropolitan Area, all of the 12 are fast-growing suburbs and are pretty well distributed around the western perimeter of the Twin Cities from Apple Valley on the south to Coon Rapids on the north. Shoreview with six builders is the only exception although the eastern suburbs are represented by cities which were rated by less than five builders.

Municipal Attitude Toward Growth

In 15 municipalities, all of the builders building in a municipality said the municipality had a positive attitude toward growth. In 10 other municipalities, most of the builders said they were positive toward growth.

In 5 communities, all of the builders building in them said the community was neutral toward growth. In 5 more communities, most of the builders said they were neutral toward growth.

In 5 communities, all of the builders said that the community was negative toward growth.

A community's attitude toward growth is an important element in the level of builder satisfaction with the local regulatory process:

- In the municipalities rated by 100% of the builders and developers as positive toward growth, 97% of the respondents felt processing speed was satisfactory compared with 57% in the municipalities where all builders rated the municipalty as negative toward growth.

- In 100% positive communities, 64% of the builders felt that there were no or few excessive requirements, as compared with none of the builders in 100% negative communities.

- 86% of the builders rated the staff's competence as "good" in 100% positive communities.

- 12% of the builders rated the staff's competence as "good" in 100% negative communities.

- 91% of the builders felt they were fully informed in 100% positive communities.

- 57% of the builders felt they were fully informed in 100% negative communities.

Land Developers and Builders

The questionnaire did not clearly differentiate between builders who were also land developers and therefore were likely to have experience with the municipal subdivision process, and those who only engaged in home building and were likely to have only sought building permits. However, we were able through other information to identify most of the builders who were also land developers.

Builders who engaged in land development produced many more houses in 1980 on the average than did builders who did no land development.

The complete distribution of respondents to the survey is as follows:

No. of Houses	Developers No.	Developers Percent	Builders No.	Builders Percent
1-5	2	5.7%	41	56.9%
6-10	4	11.4%	14	19.4%
11-25	10	28.6%	13	18.1%
26-50	10	28.6%	1	1.4%
51-100	5	14.3%	0	0
101 or more	3	8.6%	0	0
Not Known	1	2.9%	3	4.2%
TOTAL	35	100.1%	72	100.0%

Most of the builders built 5 or fewer houses in 1980 while most of the developers built more than 25. Undoubtedly, the generally depressed condition of home building and the high cost of money saw many builders building fewer houses in 1980 than they had in the past. A substantial number of builders reported that they built no houses in 1980. A number of them indicated that they were currently engaged in remodelling.

We expected that the attitudes and experience of land developers would be somewhat different from those of builders who were just engaged in building. This proved to be the case.

The two groups had worked in the same 22 communities so a comparison was made of their responses to a series of questions which reflected their attitudes toward these communities and their processing of applications. These questions were:

- How would you characterize the attitude of the municipality toward growth:

  Positive _____ Neutral _____ Negative _____

- Does this municipality have excessive building or subdivision requirements?

  None _____ Few _____ Some _____ Many _____

- Speed of processing: Satisfactory _____ Unsatisfactory _____

- Competency of staff: Good _____ Fair _____ Poor _____

- Did you feel that you were fully informed as to requirements from the beginning?

  Yes _____ No _____

The comparision of responses is shown in Table 2.

Developers are less likely to think that the communities they work in are positive toward growth than are home builders; 51.0% of the developers as compared with 70.0% of the builders. Developers are more likely to rate municipalities as having many excessive requirements than did builders; 25.0% compared with 10.3%. Both groups were overwhelmingly agreed that in these 22 communities processing speed was satisfactory at the municipal level. Developers however are far less likely to rate municipal staffs as having "good" competence than are builders. Almost half of the developers rated staffs as "fair" or "poor" compared with 20% of the builders who rated staffs as "fair"; none rated them "poor." This may mean that developers are responding in terms of other staff people than are builders who deal basically with building inspectors. Developers come into contact with a full gamut of city employees, engineers, planners, recreation people, etc.

Not only is there a great deal of variation in the ratings given different communities by builders and developers, but there is a surprising amount of variation among developers and builders rating the same community. Of the 12 communities rated by 5 or more respondents, 6 scored in each of the four categories of excessive requirements. In Minnetonka the ratings ended in a dead heat. Twelve respondents rated Minnetonka and exactly 3 believe that the city has no excessive requirements, 3 stated it had few excessive requirements, 3 said it had some excessive requirements and 3 that it had many excessive requirements. Three respondents said Plymouth had few excessive requirements, 5 said it had some excessive requirements, and 4 said it had many excessive requirements.

Builders and developers tended to be more unanimous as far as processing speed was concerned, although in 7 of the 12 municipalities, at least one differed from the others.

Five of the municipalities were rated in all three categories as far as their attitude toward growth was concerned. At least one respondent said that Apple Valley, Eden Prairie, Minneapolis, Minnetonka, and Plymouth were positive toward growth, neutral toward growth, or negative toward growth. There were only 2 of the 12 where respondents were unanimous; all of those reporting on Brooklyn Park and Edina said they were positive toward growth.

Although many different builders and developers may interpret the question differently, it is probably that the survey also reflects significant differences in their experience.

TABLE 2. COMPARISON OF ATTITUDES OF BUILDERS WHO WERE LAND DEVELOPERS WITH BUILDERS WHO WERE NOT LAND DEVELOPERS TOWARD 22 MUNICIPALITIES IN WHICH BOTH GROUPS WORKED IN 1979 AND 1980.

	Builders Who Were Developers	Builders Who Were Not Developers
Number of Responses	49	70
Community Attitude Toward Growth:		
Positive	51.0%	70.0%
Neutral	32.7	27.1
Negative	16.3	2.9
Number of Excessive Requirements:		
None	20.5%	19.1%
Few	29.5	39.7
Some	25.0	30.9
Many	25.0	10.3
Processsing Speed:		
Satisfactory	79.1%	80.0%
Unsatisfactory	20.9	20.0
Staff Competence:		
Good	52.3%	79.7%
Fair	31.8	20.2
Poor	15.9	0
Fully Informed:		
Yes	77.1%	93.8%
No	22.9	6.2

* Communities included: Apple Valley, Arden Hills, Bloomington, Brooklyn Park, Burnsville, Coon Rapids, Eagan, Eden Prairie, Edina, Little Canada, Maple Grove, Maplewood, Mendota Heights, Moundsview ,New Brighton, Plymouth, Roseville, St. Paul, Shorewood, Vadnais Heights, While Bear Lake and Woodbury.

Dealings With Federal and State Agencies

Land developers were much more likely to have dealt with state or federal permitting agencies (other than Federal Housing Administration or Veterans' Administration) than did builders who were not land developers. 53% of the developers had dealt with one ore more federal or state agency as compared with 12% of the builders.

- 32% of the developers had dealt with DNR compared with 7% of builders.
- 21% of the developers had dealt with the Army Corps of Engineers compared with 1% of builders.
- 21% of developers had the developers had dealt with the Historical Society as compared with 3% of builders.
- 29% of the developers had dealt with the Metropolitan Council as compared with 1% of builders.
- 38% of the developers had dealt with Watershed Districts compared to 5% of builders.

IV. COSTS OF REGULATION

The regulation of residential development is costly to the developer and builder and ultimately to the housing consumer. These costs may be balanced to a degree by benefits in increased protection of the environment, in residential amenity and in maintaining high standards which contribute to quality of life. Builders and developers, however, contend that many of the costs of regulation are due to jurisdictional overlap, delay, and uncertainty and are not accompanied by benefits either to the residents of the development or to the community as a whole.

In addition to the direct costs of municipal fees, substantive provisions of regulations, and delays in processing, certain indirect costs have been noted. The Modest Cost Private Housing Committee notes:

> A second factor, not so obvious as the first but a much larger contributor to high housing prices is the decrease in competition, decrease in innovation and decrease in efficiency created by a climate of uncertainty in the development process.[1]

The home buyer and the larger community suffer because the enterprise and creativity of the builders are stifled. In a situation characterized by uncertainty, builders and developers become cautious and stick to the tried and true. Meanwhile, those who do not have the resources to enter an uncertain field of action are frustrated from the start or withdraw thus reducing competition. Experienced builders with whom we talked did not believe that a newcomer could survive in the current climate because of the present complexities and uncertainties in the development process. These indirect costs are not measureable in dollars but they are undoubtedly substantial.

Costs of Delay and Uncertainty

Any delay in residential development is costly if money or time have been invested. How costly will depend on the length of the delay, the stage of development, and the season of the year in which it occurs.

If a developer's plans are well advanced and he has started or scheduled his marketing program, delays can be very costly. One development was stopped when it was well underway because a change in the law required an Environmental Assessment Worksheet, which the developer had not known about. The developer estimates that his added costs amounted to $100 per day per unit for a period of more than a month while the EAW was hastily prepared. (As a result of the EAW, no changes were required!) If it had occurred earlier, costs would have been far less.

Because of tradition and climate, the Minnesota house building and selling season is fairly well defined. If the developer's and or builder's schedule is disrupted, he may lose out of proportion to the actual time involved.

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1. Metropolitan Council, Modest Cost Private Housing Advisory Committee, Modest Cost Housing in the Twin Cities Metropolitan Area, 1976, p. 8.

In one unfortunate incident, the Minnesota Historical Society asked for an archeological study of a proposed big subdivision, a request which had not been anticipated by the developer. The 30 day delay which might not have been as significant in November was crucial in July and lost a large part of the selling season. Houses which would have come on the market in the summer could not be sold and built until the following spring.

The process of land subdivision and residential construction is most efficient when it can be planned in advance and the time taken by each stage precisely anticipated. Unanticipated events which interrupt the flow of work are extremely expensive; crews may have to be pulled off of a job, new wage rates may come into effect, mortgage money arranged for may remain in the bank with interest running and sales opportunities may be missed, etc. All of which does not include bad weather, changes in the interest rate and other externalities well outside of local control.

Developers believe that many municipalities and state officials have little insight into the effects of delay on their operations. They feel that the review of subdivisions at the municipal level and the consideration of permits at state and federal levels have no real priority. In many cases it appeared to us that government staff people working directly with development proposals gave them rapid attention and high priority, however, once the application was out of their immediate control, delays might occur which were difficult for them to prevent.

In some cases the permitting agencies simply do not have the staff to carry out their legislative mandate to prepare plans and standards and engage in permitting activities effectively. They have been given planning and permitting responsibilities without adequate funding to support them.

As a result, each individual application takes longer to process and it is not handled promptly because a special study must be made or there is not enough staff to give it priority. The resulting delay is costly to the developer, but he passes it on to the consumers.

Although there is general agreement that delay costs money, actual figures are hard to arrive at. Many land developers indicated that it was impossible for them to come to any specific estimates; each case differed and any average would be based on guess work. We were however able to work out a few hypothetical cases which may be fairly representative.

In one situation, the developer had invested $18,000 per acre when faced with an unanticipated delay. The holding costs alone at 20 percent per annum amount to $9.86 per acre per day. Additional overhead, permanent mortgage expenses and profit increase this amount by 34 percent to a total of $13.21 per day per acre. At 2.5 lots per acre this amounts to $5.28 per lot per day. A three month delay would cause the cost of each house to increase by $475.

A second case study concerns a 52 lot development which has experienced a number of previous delays, and was faced with applying for a permit from the Army Corps of Engineers. There were $250,000 in land fees and taxes.

Costs of holding this investment at 20 percent are $4,167 per month. In addition, there was a contract to sell half of the lots effective at initial grading. Interest payments forgone on this contract were $12,000 per month thus the cost per lot per day was $10.36 with at least 30 percent for other soft costs or a total of $13.46. A 90 day delay means that the house prices would have to increase by $1,211 in constant dollars.

Municipal Fees and Charges

Developers and builders who work in different municipalities in the metropolitan area face wide variation in attitude towards growth and the funding of city services. These attitudes are reflected in the structure and level of municipal fees for planning, development, building permit, and sewer charges. To look more closely at the resulting costs to developers and builders, data for twelve cities were assembled:

- Apple Valley
- Bloomington
- Brooklyn Park
- Coon Rapids
- Cottage Grove
- Eagan
- Eden Prairie
- Lakeville
- Lino Lakes
- Maple Grove
- Plymouth
- Woodbury

These cities were chosen for a variety of reasons. They represent both older suburbs and fast growing developing areas. Ten of the twelve cities were among the fastest growing in the last decade. Builder/developers participating in the Builder Survey had worked in eleven of them.

City planners, engineers and building inspectors were asked for the cost of certain services and processes in two hypothetical situations within their own cities. One of these was a single family, modestly priced at $50,000 to be built with 14 plumbing fixtures and 1-1/2 baths, with an 80,000 BTU furnace, without air conditioner, with 15 circuits and 200 amperes of electricity and access to existing sewer trunkline. The other was an area of 50 acres to be

developed for 150 single family houses on land zoned for such subdivisions. The quantitative material in the Appendix, Tables 4, 5, and 6, and footnotes which qualify each city's approach to costs, reveal both variations and consistencies.

Building permits and building inspection serve the same purpose in different municipalities. Although many different formulas are used to determine them (see footnotes to Table 4) building permit fees are quite similar from one city to the next. Much greater variation occurs in sewer charges. These ranged from $1,755 in Maple Grove to $480 in Bloomington for each house. Cities apparently have different approaches -- some charge the developer for new sewer services, some assess the new homeowner later, and others spread most of the costs among all users in the community. Availability of sewer facilities also varies among cities. Currently all sewer extension is controlled by the Metropolitan Council and the Metropolitan Waste Control Commission. The Commission owns the great majority of sewer interceptors and treatment facilities in the seven county area. When building permit costs and sewer charges are taken together the average for 12 cities was $1,435.43 per house. Maple Grove is again the highest at $2,159 with Coon Rapids lowest at $944.

Planning and development costs for our hypothetical subdivision appear on Table 5 in the appendix. Plat fees range from $50 in Lino Lakes to $4,675 in Eden Prairie. Some of the difference is explained in the footnotes to the table. Some cities ask only a base administrative fee, others estimate the costs of staff work and add this on or deduct it from an escrow amount. Some cities add a charge for each proposed lot or house. Some cities appear to use the planning charges as a revenue source while others see themselves as offering a service with no intention to profit from it.

In each city studied the developer was required either to dedicate land for park purposes or make an equivalent donation in cash. Ten of the twelve cities based the cash donation on a formula which allowed us to calculate the amount for the hypothetical subdivision. (This was not possible for Bloomington or Maple Grove.) Many of the formulas are based on the total number of units or units per acre and the amount of land on the sound assumption that the need for park and recreation space is related to population density. The range of park donations among the ten municipalities is large. In Lino Lakes the proposed subdivision would require a cash donation of $7,500 compared with a high figure of $63,750 for Cottage Grove including funds for recreational facilities. In other cities such facilities were required for certain other types of multiple housing developments.

Some of the variation in park donation charges reflects difference in land values. It is also affected by the development stage of the city. Some cities are in the process of developing and implementing an open space plan, while others are relatively undeveloped and have a great deal of open land.

Throughout the study, the same cities were not consistently high or low in their charges for permits, planning and development fees. For example, Brooklyn Park had the second lowest total permit and sewer charges, but the third highest cash amount for park dedication; Woodbury's permits fell below the average cost but the park dedications were the second highest. Because of this, composite figures were assembled for each city by dividing the platting

and park dedication fees usually paid by the developer for the subdivision by the 150 units (arriving therefore at a per unit cost for these charges). This was added to the permit and sewer charges per unit usually paid by the builder. The distribution of these composite figures is shown on the following table. (The absence of park dedication figures for Bloomington and Maple Grove make it impossible to do more than speculate where these cities would fall on the scale.)

TABLE 3. TOTAL ESTIMATED MUNICIPAL CHARGES FOR PERMITS, SEWERS AND PLANNING AND DEVELOPMENT FEES PER HOUSING UNIT.

Lino Lakes	$1069
Coon Rapids	1138
Bloomington (not including park donation)	1142
Brooklyn Park	1312
Apple Valley	1688
Woodbury	1718
Eden Prairie	1824
Cottage Grove	1888
Eagan	1972
Plymouth	1983
Maple Grove (not including park donation)	2162
Lakeville	2403

Thus the estimated total charges per housing unit range from under $1,100 to over $2,400. Presumably, then the purchaser based on municipal charges alone would pay $1,400 more for a house in Lino Lakes than he would for the identical house in Lakeville (and probably Maple Grove). The home buyer may not be aware of this part of his costs and may indeed be willing to pay a premium for living in one community rather than another. The builder, however, is not oblivious to these charges which are added to his front-end costs and frequently challenges the value he and the buyer receive in return. We believe, additionally, that the figures we have used are minimums and in actual cases may be higher.

V. THE REGULATORY MAZE

Regulation of residential development is not a single coherent process but rather a collection of independent permitting and approval processes administered at various levels of government, taking varying amounts of time. Actually, in the Twin Cities Metropolitan Area at least six geographic and governmental levels are directly involved, (federal, state, Metropolitan Council, county, municipal, watershed districts). Chart I (see back cover insert) shows the major agencies and their processes. Although a single development may involve all of these processes, most do not.

Each of the regulating agencies or governmental entities receives its mandate from specific state or federal legislation, some of which dates back to the nineteenth century. The controls flow from three different streams of legislation. One deals with protection of public health and safety. A second is concerned with land use planning and zoning and a third with the conservation of natural resources and protection of the environment.

The nationwide concern for the natural environment which manifested itself in the late 1960s and early 1970s resulted in new systems of control and invigorated older ones. Environmental assessment and impact analysis which grew out of this legislation, however, was not sufficiently coordinated either at the state or federal level with existing permitting authority concerned with wetlands, drainage, and water pollution nor with land use planning and zoning.

State and federal responsibilities are largely administrative and stem from legislation dealing with a particular aspect of public environmental concern: water pollution, navigation, wildlife habitats, wetlands, preservation, etc. Land use, zoning, and subdivision control are municipal and ultimately the responsibility of the city council, a political body. This difference makes it more difficult for state and federal agencies or municipal governments to delegate their responsibilities to the others.

The resulting regulatory maze has been identified as a major element in the cost of residential development. Concern at what appears to be a chaotic system grinding out its results ever more slowly has appeared at all levels of government. Much debate and study have taken place and many suggestions have been made for change. Two recent reports of the Metropolitan Council are particular relevant; Modest Cost Housing in the Twin Cities Metropolitan Area, 1976, a report by the Modest Cost Private Housing Advisory Committee to the State Legislature, and Streamlining the Housing Development Approval Process, 1979, a joint report of the Metropolitan Council and the Association of Metropolitan Municipalities. Partially in response to these reports, the State Legislature took important action with regard to the municipal subdivision review process and the assessment of environmental quality. These changes are discussed further on in this section.

Discussion of the local permitting process is followed by a description of major regulatory activities at the state and federal levels.

A. LOCAL REGULATION OF RESIDENTIAL DEVELOPMENT

Basic land use regulation has been delegated by the State Legislature to cities or, in the case of townships, to the county. This municipal regulatory power is expressed in zoning and subdivision ordinances, which within the Metropolitan Area are presumably consistent with comprehensive land use plans as required by the Metropolitan Municipal Planning Act. Some inconsistencies currently exist as municipalities have been preparing new comprehensive plans and may not yet have amended their ordinances to bring them into conformity with the new plans.

Traditionally, zoning fixed land uses as a matter of right and permits were issues promptly for a development which did not deviate from the land uses in the particular zoning district. With the advent of planned unit development, cluster zoning and other flexible zoning provisions, the decision as to land use has moved from the time of adoption of the zoning ordinance to the time the City Council approves a particular proposed development. Land use, site layout, densities and amenities all became, to a greater or lesser extent open to negotiation between the developer and the city. The resulting flexibility has been seen as desirable by developers, municipal officials, and metropolitan planners and frequently leads to more effective and efficient land use. Planned unit development and cluster zoning were extensively advocated by the Metropolitan Council, the National Association of Homebuilders, the Urban Institute, and various planners' organizations in the early 1970s as a way out of the strait jacket imposed by the lot size and setback standards set forth in typical zoning ordinances.

Many municipal ordinances in the Metropolitan Area provide for planned unit developments or planned residential developments (PUDs limited to residential uses). In Brooklyn Park for example, most residential subdivision applications are made under the planned residential development provisions of the zoning ordinance. Both the City Development Director and various developers who work in Brooklyn Park have expressed satisfaction with the results. The developers welcome the flexibility allowed while the local development staff believe that they get better site layouts and more imaginative developments through the PRD approach.

One municipal planner pointed out that he favored PUD or PRD because it allows cities both flexibility and control with freedom to negotiate lot sizes, access restrictions, and densities while maintaining much greater control over details of development than was achievable under traditional zoning.

Presumably, planned unit zoning will be accompanied by performance standards which are set forth either in the ordinance or in actions of the planning commission and of the city council. The developer must show how he will meet these standards. Specifics of the development become a matter of negotiation. Actually, the standards and their interpretation are often in the heads of the municipal staff. Their specific application may appear to the developer to be more a matter of whim than principle. In any event delaying the major decisions to the time of approval of the specific development creates an atmosphere of uncertainty as to whether the development will be approved and, if so, in what form. The fixed specification standards of traditional zoning

were rigid but certain. The performance standards of planned unit zoning are flexible and may be uncertain in their application.[1]

Without specific guidelines, the developers may be open to unusual demands on the part of municipal officials, while the municipal staff may at times find themselves subject to various kinds of political pressure on behalf of a development,

One municipal staff has been characterized by a developer as "Administration highly arbitrary. They demand far more than the ordinances and consistently try to get all they can for the city at the expense of the developer." However, developers expressed approval of cities where standards were consistently interpreted, and recognized the need for city officials to be concerned about the general interest. As one developer stated, "_____ is among the best I've seen. They try to keep a reasonable balance between protecting the public interest and private property rights."

A discretionary decision-making system makes heavy and costly informational demands both upon the developer and the municipality. Both the developer and municipality must arm themselves with various kinds of professional expertise in order to make the judgements necessary to its requirements. This responsibility has greatly expanded as municipal officials have become more conscious of the environmental effects prior to its approval.

During the course of the study, municipal planners and development officials from some 30 metropolitan municipalities were interviewed concerning their subdivision and planned development procedures. Each municipal process seems to have its own unique features. They reflect differing community attitudes towards growth, local institutional arrangements and the idiosyncracies and personalities of local staff members and officials, as well as the size and complexity of the community. Some municipal governments are more complex including a number of separate departments which review subdivision applications. They may, also, have a number of municipal citizens' advisory commissions with review responsibilities charges with various concerns. Bloomington was characterized by an area developer as follows:

> The Bloomington organization is very sizable and it takes experience to determine which individual in which department can effectively get the job done for you or to answer your specific questions. The organization as a whole consists of very capable people who on a one to one basis are very cooperative and talented. The major problem in dealing with Bloomington is just the nature of their size and the resulting bureaucracy with the level of processing not only through the staff but through the various commissions. The City has in addition to the City Council and Planning Commission, a Natural Resources Commission, Park and Recreation Commission, a Fire and Life Safety Group, and an Administrative Staff and Review Committee.

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1. Further discussion of effects of flexible zoning are to be found in the articles by Mandeleker, Einsweiller, and Wickersham in Thirteen Perspectives on Regulatory Simplications, published by the Urban Land Institute, 1979. See also Stephen R. Seidel, Housing Costs and Government Regulations: Confronting the Regulatory Maze, page 134.

Three municipalities were chosen for more detailed review. These are Lakeville, Minnetonka, and Grant Township. Although their subdivision review procedures are similar in that they meet state requirements, each has unique features.

Lakeville (Figure 2)

In Lakeville the average municipal subdivision review process takes approximately three months. The procedure is relatively straightforward as shown in the flow chart. The application is first informally reviewed in sketch form by the city planning staff. At this time, the staff clarifies its specific requirements and sets forth its expectations of the developer. Once these initial requirements have been agreed upon by the developer and the planning staff, the developer makes a preliminary plat application. The plat application officially registers the developer with the city government and starts the formal subdivision review process. At this point the Department of Natural Resources may be notified by the City Planning Department, if environmental concerns are involved. The municipal natural resources committee and Parks and Recreation Committee are also notified.

After recommendations are received from these three bodies, the planning commission will hold its required public hearing. If all committees and any additional state or federal agencies that needed to be involved at this level have given approval to the preliminary development plans, the City Council will pass the preliminary plat. The developer then files his final plat application. Any additional state or federal agency approvals will take place at this time, which often times leads to delays beyond the municipal time requirements. Once all agencies have given their final approval, the City Council will approve the final plat and the developer can commence building.

Minnetonka (Figure 3)

The subdivision review process in Minnetonka is somewhat different. The first and most important step is an advisory meeting between the developer with city staff. In this forum, the city planning staff, and representatives of other units of municipal government which must ultimately approve the development, all meet with the developer to give an initial reaction to the proposal. The developer is not only provided with an immediate feedback as to potential problems in his development but also allows problems to be worked out if all units of government are not in initial agreement. Before the developer submits a "formal" preliminary plat application, the municipal staff come to complete agreement about the proposed development. Oftentimes, two or three follow-up advisory meetings are needed to arrive at this concensus. Every attempt is made to see that there will be no additional problems or any lack of support by municipal staff.

Once complete staff approval is given to the proposed development, the developer submits a formal preliminary plat. This preliminary plat is reviewed once more by all departments and given their final specific stamp of approval. The staff report is then prepared with recommendations contingent on state and federal approval. Also at this time, the Minnesota Department of Transportation and the County Engineer review the effects of the development on traffic flow.

After formal approval is given by all city departments, the city holds a public hearing. The Planning Department makes its recommendation consistent with the information they have given the developer. In most cases, the planning staff will support the planned development at this stage.

In no case does the development get to this point without city staff support. This assures the developer local support in obtaining any needed state and federal permits. Once the City Council has approved the preliminary plat, the developer submits the final plat, and after all needed federal and state approvals have been received, the Council approves the final plan.

Grant Township (Figure 4)

The county has subdivision review and approval authority over subdivisions in townships. Grant Township procedure is probably typical of other townships. Both the township and the county must give a step by step approval of a subdivision proposal.

Preliminary application begins with the township clerk who immediately publishes a notice of subdivision. Shortly thereafter a public township planning commission meeting is held to hear public response and planning commission considerations. This leads directly to a township board review to give final pre-preliminary plat approval. The developer then files a formal preliminary plat with the county surveyor. This application is reviewed by the County Plat Commission which includes county planners, surveyors, the registrar of deeds, a county attorney and a county board member. Once the county approves the preliminary plat, the developer is able to submit his final plat. In the meantime, any state and federal agencies that might need to give their approval become involved with the process. Once again the final plat has to be approved by the township board, and also by the county board.

It is clear that negotiation plays an important part in each of these processes as it appears to do in most of the municipalities. How and when this negotiation takes place varies among municipalities. It also appears to vary among municipalities. It also appears to vary with different developers. Developers with whom we spoke seemed to feel that "knowing the ropes," having experience with a particular municipality was very important. The experienced developer already knows the idiosyncracies of the municipality and the officials with whom he deals.

There is a concensus among city officials and experienced developers that the earlier the proposed development can be discussed with city officials, the better. Early discussion avoids having the developer commit time and money in advance of knowing what the municipal requirements are likely to be.

Even with a full set of performance standards, there are wide areas of interpretation. Until the developer begins to discuss how he proposes to meet the standards, there can be no real meeting of the minds as to what is

acceptable to the municipality and feasible for the developer. Even something as apparently clear cut as the distance a curb cut can be from a corner alters with a hilly site and winding roads. This situation has led to the frequently advocated and used device of a pre-application conference. In practice the pre-application conference may vary from conservation between the developer and a city staff member over the counter when the developer is handed an application form, to a regular weekly meeting with a full array of city officials as in Minnetonka. Although a pre-application conference would seem to fault the formal process, it actually reflects an inability to write down standards and requirements in the details which will cover all cases. Each development is unique; it may present few or many issues. The pre-application conference is a way of identifying or defining these issues. In the new terms of the environmental agencies, it is a scoping device.

Because the pre-application conference occurs before any formal request (application) has been made to the municipality, there is a tendency to view the process as not yet underway and to wait to start the clock until a formal application is filed. It would seem more realistic to count the time from the first serious contact which a developer makes about a proposed development with any representative of the city government.

While it is difficult, if not impossible, to write out in advance all of the detailed requirements which may apply to a large or complex development, it is desirable that those substantive and procedural matters which are standardized be available in printed form, for prospective developers. These include the local ordinances, the comprehensive plan, a procedural outline, instructions on the application form, and a list of all permits which may be required at any level of government and the conditions under which they are needed. Actually, municipalities in the metropolitan area vary widely in the materials which they provide developers from almost none to quite complete sets of documents and instructions.

In order to improve this situation, we recommend:

1. That a model development handbook be prepared by the Metropolitan Council which can be used as a guide by municipalities in developing their own handbook.

2. That a permit register or guidebook be prepared and kept current by the Metropolitan Council. The register would identify all permits which may be required of a developer and list the conditions under which they are required and the appropriate office or individual to be contacted for further information. The register should be available at the Council and also at each municipality.

Municipalities should take the opportunity afforded by the new state subdivision legislation to examine the language of their zoning and subdivision ordinances and rewrite them in simple and understandable language. This could become a joint endeavor of the Association of Metropolitan Municipalities, the Metropolitan Council, and the Twin Cities Housing Council.

Municipalities should consider making the pre-application conference a formal part of their subdivision review process. In large municipalities, it

would include representatives of the reviewing local departments and, where appropriate, representatives of state agencies which will be called upon to review the proposal. The review of subdivision proposals could be part of the agenda of regular meetings of the municipal staff as in Minnetonka or could be at special meetings called for this specific purpose.

Frank So in an article published as part of the Urban Land Institute book, Thirteen Perspectives on Regulatory Simplification, has made a number of useful suggestions for improvement in the local regulatory process. These have been summarized in Table 7.

Figure 2. LAKEVILLE

3 MONTHS

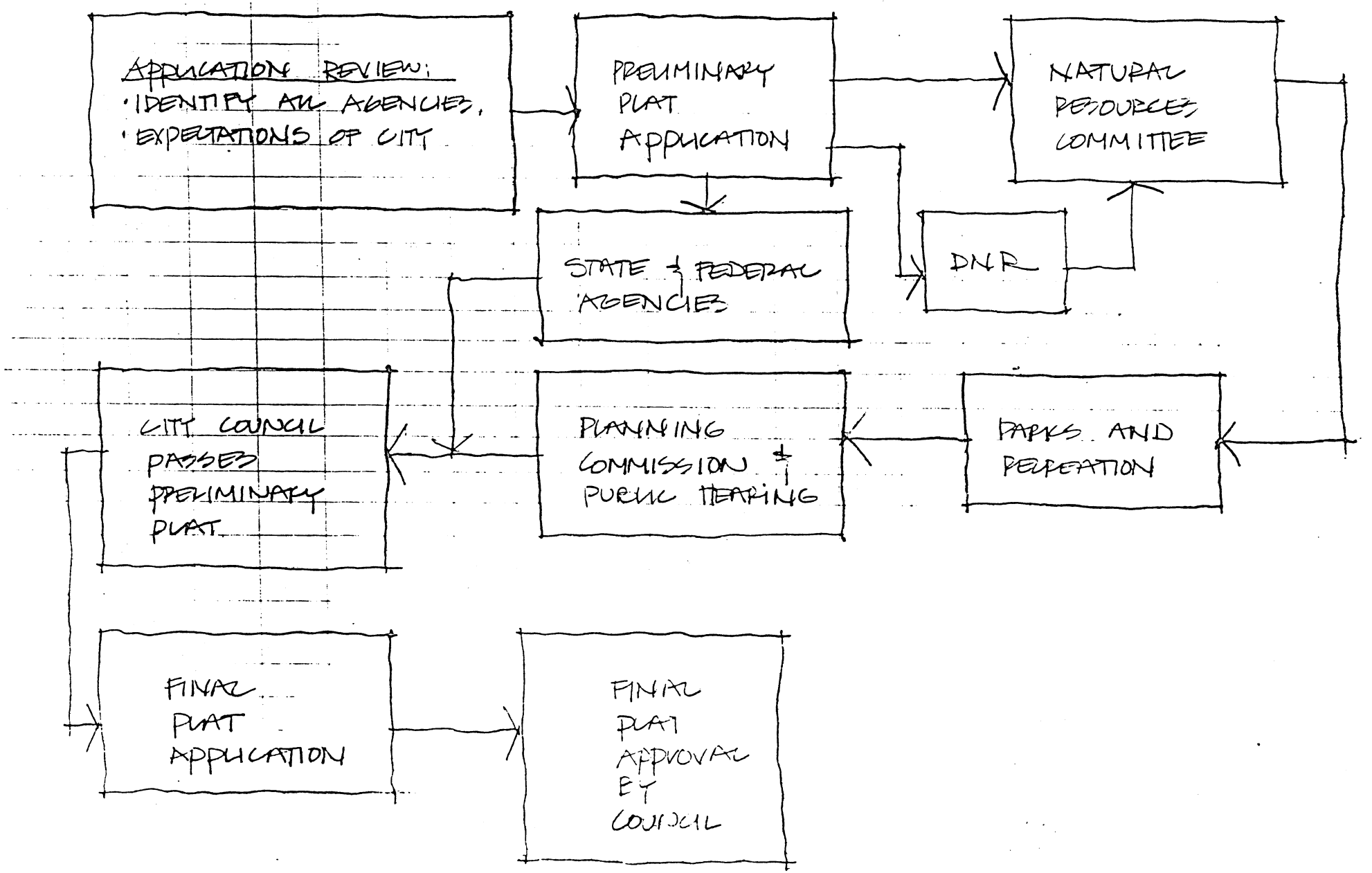

Figure 3.

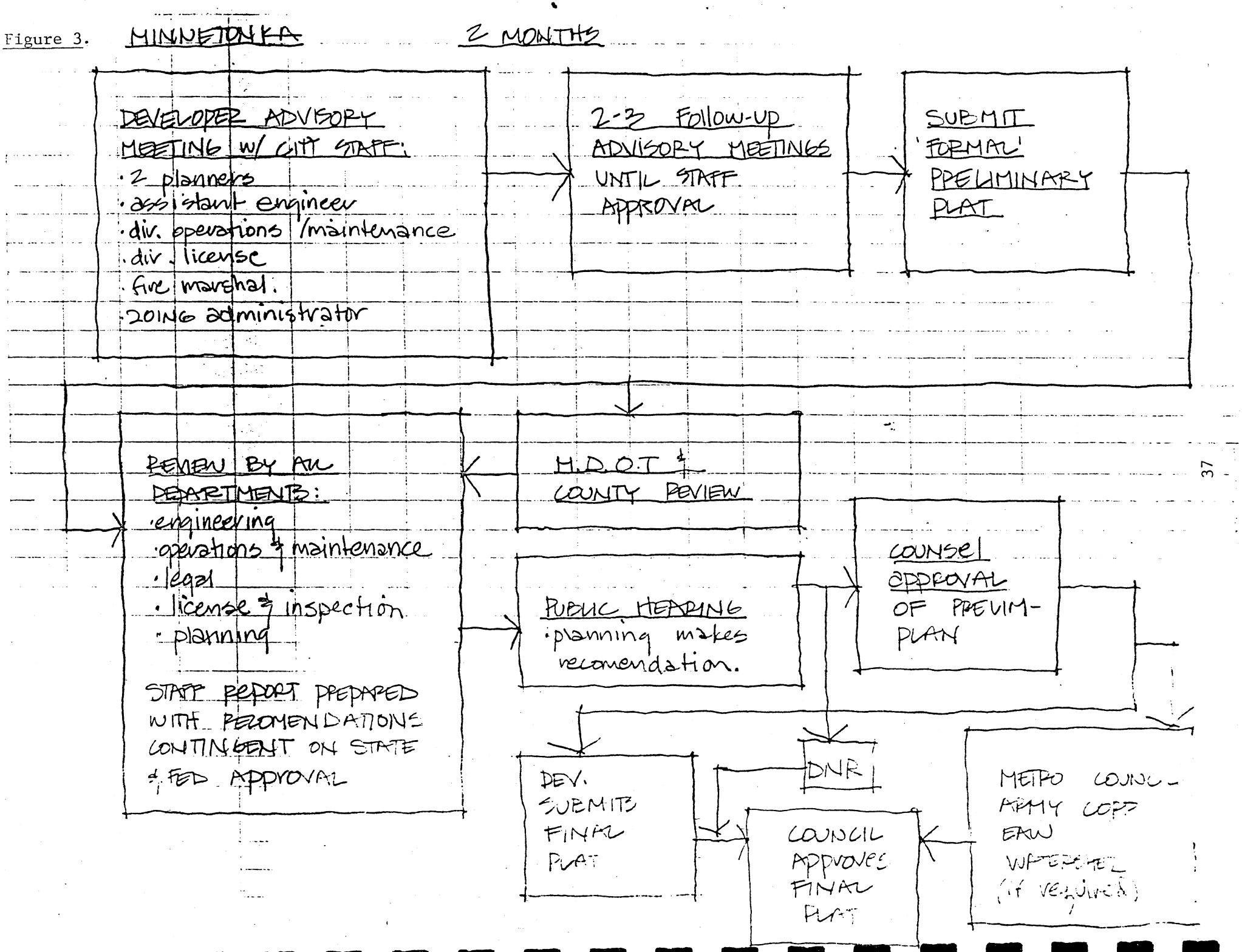
MINNETONKA
2 MONTHS
DEVELOPER ADVISORY MEETING W/ CITY STAFF:
· 2 planners
· assistant engineer
· div. operations /maintenance
· div. license
· fire marshal.
· ZOING administrator
2-3 Follow-up ADVISORY MEETINGS UNTIL STAFF APPROVAL
SUBMIT FORMAL PRELIMINARY PLAT
REVIEW BY ALL DEPARTMENTS:
· engineering
· operations & maintenance
· legal
· license & inspection
· planning
STAFF REPORT PREPARED WITH RECOMENDATIONS CONTINGENT ON STATE & FED APPROVAL
M.D.O.T & COUNTY REVIEW
PUBLIC HEARING
· planning makes recomendation.
COUNSEL APPROVAL OF PRELIM-PLAN
DEV. SUBMITS FINAL PLAT
DNR
COUNCIL APPROVES FINAL PLAT
METRO COUNC-
ARMY CORPS
EAW
WATERSHED
(if required)

Figure 4. GRANT TOWNSHIP 3-6 MONTHS

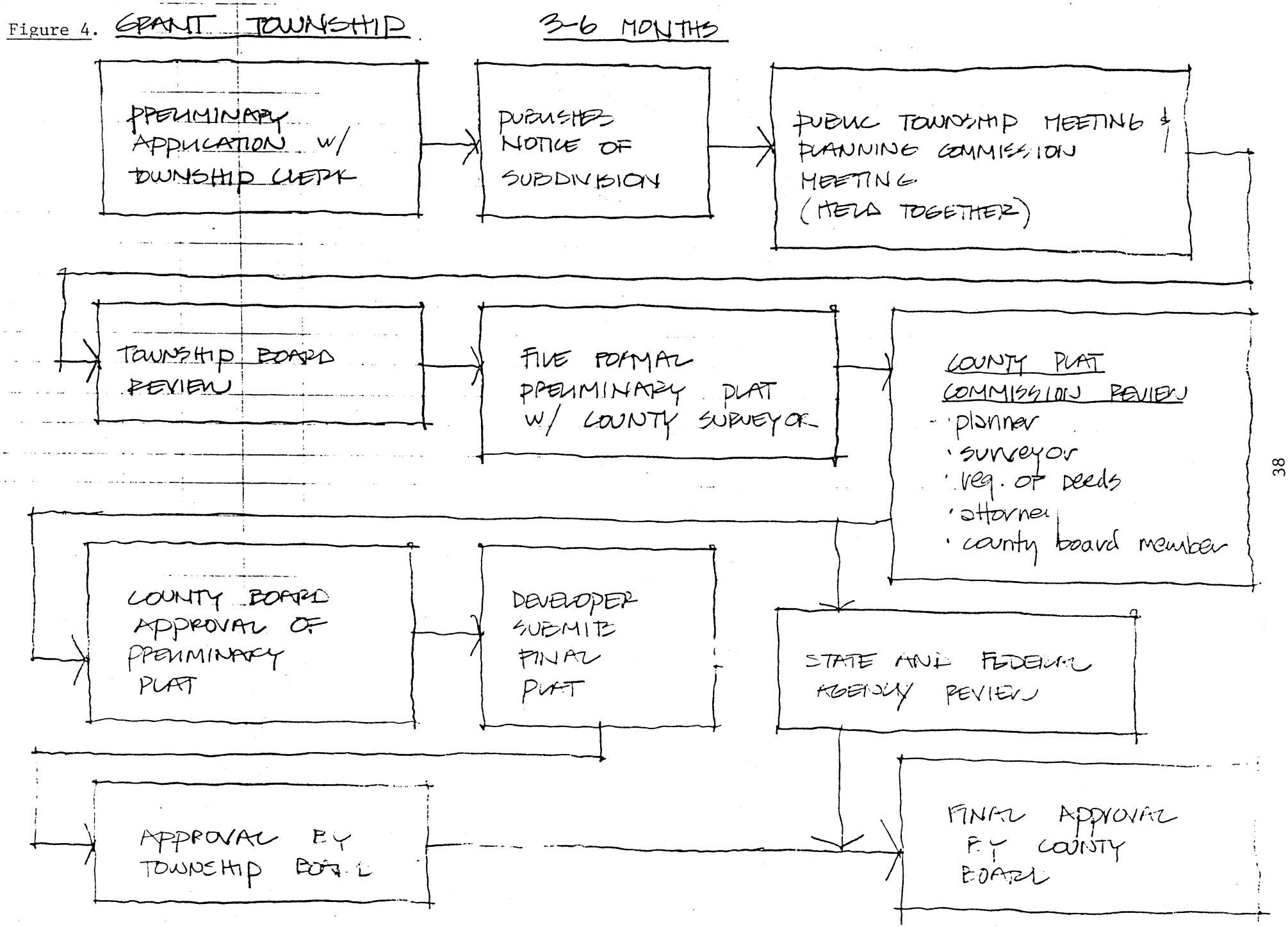

Table 7. Relatively Simple Options to Improve Efficiency (of the Municipal Regulatory Process) *

1. Ordinances should be easy to read and understand.
2. A local development handbook or manual should be provided.
3. A consolidated single application form.
4. Pre-application conference.
5. A permit register or guide should be developed by State Planning or metropolitan agency.
6. One stop shopping within local government.
7. Metropolitan governmental review committee.
8. Ombudsman or permit expediter.
9. Joint public hearing.
10. Frequent planning commission meetings.
11. Planners informed about development economics.
12. Adequate competent municipal staff.
13. Time limits.

* Summarized from So, Frank S., Regulatory Simplification: Can the Local Administrative Process Be Improved, Urban Land Institute Report #29, Thirteen Perspectives on Regulatory Simplification, Washington 1979, pp. 108-110.

B. WATER WATER EVERYWHERE

If it were not for water in the Land of Lakes, the lives of builders, developers, and government officials would be much simpler. Control over water management and use of sites which include or are adjacent to lakes, streams, wetlands, or drainage areas exists at every level of government. Each government jurisdiction has a legislative mandate to fulfill, but as these jurisdictions have multiplied over time, the possibility of consistent and rational statewide water management has become more illusive. Different bodies are responsible for planning water use, protecting water quality and permitting any changes in what is; however, in 1982 studies by the State Water Planning Board and the Metropolitan Council should result in decisions and legislative changes that begin to create an effective system for such water management. A detailed description of the implications of these studies is included in Appendix A.

Comprehensive and statewide water management, however, is still in the future; currently the fragmented system reigns. What follows is brief discussion about the responsibilities of some of the agencies and governmental units with which most developers are likely to deal, and a discussion of those issues which are relevant to the process of readying land and putting up new homes in the Metropolitan Area.

C. MINNESOTA DEPARTMENT OF NATURAL RESOURCES, WATER DIVISION

Under Minnesota Statute, the jurisdiction of the Commissioner of Natural Resources includes control over any construction or significant alteration in public waters or wetlands such as draining, filling, dredging, channelizing, construction of dams, harbors or permanent off-shore structures, placement of bridges or culverts, installment of water or sewer crossings. This responsibility is exercised for the Commissioner by the Water Division of the Department of Natural Resources which reviews proposals affecting such waters and wetlands for the issuance of "Public Waters" permits.[1]

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1. The department defines water in two ways:

Public Waters

- All water basins assigned a shoreland managements classification except wetlands less than 80 acres classified as natural environment lakes.
- All waters which have been determined to be public waters or navigable waters by court of law.
- All meandered lakes except those lakes which have been legally drained.
- All water basins previously designated for specific resource management purposes.
- All water previously designated as scientific and natural areas.
- All water basins located within and totally surrounded by publicly owned lands.
- All water basins where the State of Minnesota or the federal government holds title to any of the beds or shores; unless the owner declares that the water is not necessary for the purposes of public ownership.
- All water basins where there is a publicly owned and controlled access which is intended to provide for public access to the water basin.

In carrying out its responsibilities, the Department of Natural Resources (DNR) has frequently found itself engaged in bitter debate with rural land owners and county officials in out-state Minnesota, and has sometimes roused the ire of the urban developers and municipal officials. The recent legislature concerned itself with a number of amendments particularly with reference to the use of the term "public waters" for waters surrounded by privately owned land; no less was criticism of the DNR inventory and definition of "wetlands."

Given the extensive definition of "public waters" and the frequency with which it is found in the metropolitan area, many proposed developments will require a Department of Natural Resources permit before any actual removal or construction occurs.

This procedure begins in the Regional Office in St. Paul where application forms are available. The developer must complete and submit these with maps, plans and whatever information is essential to provide a description of the proposed project. A fee ($15 to $25) is also required. In the typical case, the developer receives his approved permit within 60 to 90 days.

To assist the DNR in making its decision and to coordinate the concerns of other governmental agencies, copies of the permit application are circulated within the DNR and to the affected municipality, the Army Corps of Engineers, the County Soil and Water Conservation District (which lacks any regulatory power on their own), and to the watershed district if there is one. The latter two have a formal period of 30 days in which to review and advise the DNR on each permit. The developer himself may be called in to provide more information to create a "complete application."

If the details of the developer's plans can be worked out so that the proposed activity meets DNR minimum standards and is not found detrimental to public values (including but not limited to fish and wildlife habitat, navigable water supply and storm water retention)," the permit is recommended for approval. Final approval for minor projects, such as placement of a culvert under a road, rests with the Regional Office. A project as large and complex as a housing development may well entail more review. In such cases -- most cases -- the DNR Public Waters Permit is referred to the Central Office in St. Paul. There the recommendations of the Regional Office are reviewed, the Hydrology Unit makes the decision and, as required by law, the Commissioner signs the permit.

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1. (cont) - All natural and altered natural water courses with a total drainage area greater than two square miles and all trout streams regardless of the size of their drainage.

Wetlands

- Inland shallow fresh marshes.
- Inland deep fresh marshes.
- Inland open water.

(All of which have not been designated "public waters"; all of which are 2-1/2 or more acres in size in incorporated areas or 10 or more acres in size in unicorporated areas.)

When the approval -- or the infrequent denial -- comes back to the Regional Office, the municipality is informed and the developer receives his permit.

By law the DNR is allowed 30 days for its own review of the "complete" permit application and another 30 days are reserved initially for the watershed district and the Soil and Water Conservation District to make their recommendations. Yet the DNR staff suggest that the average length of time for review of a "noncontroversial" permit is 60 to 90 days. While developers have the right to proceed with their projects after 60 days, the project must ultimately conform to DNR regulations. Therefore, the developer who proceeds without a permit runs the risk of costly revision to make the project conform with DNR standards.

Referring permit applications from the Regional to the Central Office takes extra time that pushes the review time beyond the 60 days. While this step enables the Commissioner to give his formal approval, Regional staff have already completed the analysis and the added time taken for Central Office review seems unnecessary.

The DNR may deny a permit application but it is far more common for the DNR to work with the developer to modify the project. Permits may be granted with or without conditions attached to them; frequently the comments which watershed district engineers make on permits are honored as conditions or stipulations so that a DNR permit satisfies DNR concerns and reflects the interests of the watershed as well. DNR staff regard this as valuable flexibility, but some developers may prefer the predictability of a precise set of standards to be exactly implemented.

Anticipating the action of the DNR in the permitting process becomes a more challenging task in those municipalities that lack shoreland management ordinances. Legislation in 1969 and 1973 mandated that unincorporated counties and municipalities adopt and enforce shoreland management ordinances that comply with standards determined by the DNR. Shoreland was defined as land within 1000 feet of a lake or 300 feet of a river or stream. The intent of such ordinances is to guide the development of water proximate areas with controls over zoning, sanitary codes, and subdivision regulations which deal with lot dimensions, storm drains, water and sewer, surfacing, parks and playgrounds, and a procedure for plat approval. Standards vary with the DNR's classification of water bodies, and are intended to guide development upon the most suitable land.

One hundred and twenty municipalities in the Metropolitan Area include shoreland and must establish the ordinances. Yet, in May 1981, only eight of the cities had DNR approved shoreland ordinances. (The same legislation requiring Shoreland Ordinances also required Flood Plain Ordinances from a lesser number of municipalities. Because the federal government has tied these ordinances to its FHA insurance program, all municipalities quickly complied. There is no such carrot and stick provision with the Shoreland Ordinances.) Such delays seem to reflect insufficient DNR resources available over time to guide and prod cities in the undertaking, while many cities themselves have been reluctant to initiate the required planning activity.

Although the department has the legislative authority to adopt its own model ordinance for a municipality, this has been avoided in the belief that compliance was unlikely to follow such a forced action. A few municipalities with strong environmental concerns historically have had stringent shoreland development regulations integrated into their zoning ordinances for many years; however, the department has rightly assumed that for many communities, such environmental regulations have low priority. In the absence of such ordinances, the DNR has no direct means by which to influence most of the development taking place along lakes and rivers.

Present standards for ordinances include the provision that the DNR itself has authority to review plans for planned unit developments (PUDs) only after receiving plans from a local unit of government giving preliminary approval. The developers are not to submit plans directly to the DNR. This caveat enhances the degree of coordination between the DNR and local governments. The project plans are considered by DNR Regional hydrologists as well as by the Central Office before approval. For large projects the DNR encourages Regional staff to make an on-site inspection of construction once it is underway.

The diversity of PUDs in size and type often means that the DNR is not the only state agency with which the developer deals. The Pollution Control Agency, Environmental Quality Board, and Department of Health may become involved as well; this is described in sections ahead.

As a planning concept, PUDs have allowed population concentration in residential neighborhoods where amenities such as open space or recreational facilities are provided. The DNR has agreed that a higher than usual population density in PUDs -- that is, smaller lot sizes -- can be used depending on suitability of the land and the proposed cluster of structures and facilities. How great this increase should be is a crucial question. The DNR provides standards guiding maximum density but Regional personnel still must make judgements. The builders say that raising housing density is one of the keys to lowering the cost of housing, and municipalities can view a higher number of housing units as a greater tax base, but from the DNR's perspective population density is directly related to the overuse of the shoreland and the water's capacity to clean itself.

In the absence of Shoreland Ordinance provisions for subdivision regulation, DNR has sometimes chosen to use whatever means it has to affect development in shoreland areas. If a public waters permit is needed for a subdivision or development, the permit and whatever conditions might be attached may be used to get changes made by the developer in crucial areas such as density of housing.

DNR staff justify its involvement in land planning because it feels that some cities have avoided taking a stand on environmental questions and pass the buck to DNR by making city decisions contingent on the department's actions. Despite this sort of potential conflict, city planners and watershed district engineers have complimented the competency and cooperation of the Regional Office staff.

The number of housing developers who had to apply for permits may not be great. One hundred and thirty-one public water permits were approved (four were denied or withdrawn) for the seven county region -- for all types of activities -- in the 1979-80 fiscal year.

D. WATERSHED DISTRICT

Watershed districts are public corporations with permitting powers enabled by the Minnesota Watershed Act of 1955 as amended (through 1978). At present ten watershed districts have been formed which are entirely within the Twin Cities Metropolitan Area. (See map.) They are:

Coon Creek	Established	1959
Nine Mile Creek	"	1959
Lower Minnesota River	"	1960
Minnehaha Creek	"	1967
Valley Branch	"	1968
Riley-Purgatory Creek	"	1969
Prior Lake-Spring Lake	"	1970
Rice Creek	"	1972
Ramsey-Washington Metro	"	1975
Carnelian-Marine	"	1981

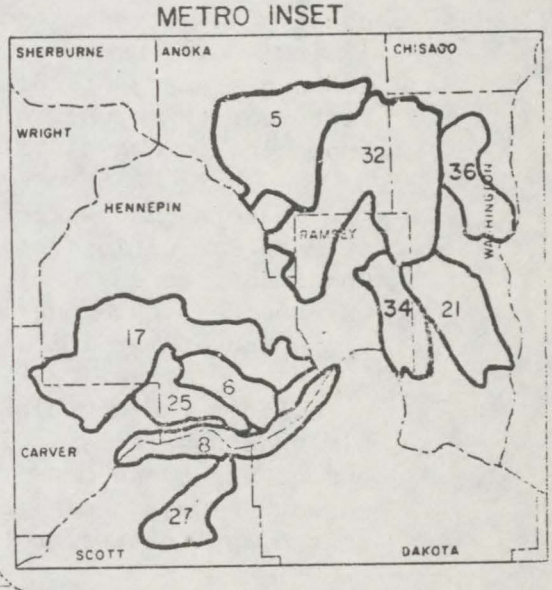
Such a district may be established for any or all of the following conservation purposes:

- Control or alleviation of damage by flood waters;
- Improvement of stream channels for drainage, navigation, and any other public purpose;
- Reclaiming or filling wet and overflowed lands;
- Providing water supply for irrigation;
- Regulating the flow of streams and conserving the waters thereof;
- Diverting or changing watercourse for domestic, industrial, recreational, agricultural or other public uses;
- Providing for sanitation and public health and regulating the use of streams, ditches or watercourses for the purpose of disposing waste;

WATERSHED DISTRICTS OF MINNESOTA

1981

WATERSHED DISTRICT	ORDER OF ESTABLISHMENT
HIGH ISLAND	1
THE TWO RIVERS	2
JOE RIVER	3
STOCKTON–ROLLINGSTONE–MINNESOTA CITY	4
COON CREEK	5
NINE MILE CREEK	6
CROOKED CREEK	7
LOWER MINNESOTA RIVER	8
OKABENA–OCHEDA	9
BUFFALO–RED RIVER	10
BEAR VALLEY	11
ROSEAU RIVER	12
WARROAD	13
COOKS VALLEY	14
PELICAN RIVER	15
CORMORANT LAKES	16
MINNEHAHA CREEK	17
UPPER MINNESOTA RIVER	18
WILD RICE	19
BELLE CREEK	20
VALLEY BRANCH	21
TURTLE CREEK	22
RED LAKE	23
BUFFALO CREEK	24
RILEY-PURGATORY CREEK	25
MIDDLE DES MOINES	26
PRIOR LAKE-SPRING LAKE	27
MIDDLE RIVER-SNAKE RIVER	28
LAC QUI PARLE-YELLOW BANK	29
THIRTY LAKES	30
YELLOW MEDICINE RIVER	31
RICE CREEK	32
SAND HILL RIVER	33
RAMSEY-WASHINGTON METRO	34
CLEARWATER RIVER	35
CARNELIAN–MARINE	36
KANARANZI–LITTLE ROCK	37



- Repair, improve, relocate, modify, consolidate, and abandon, in whole or in part, drainage systems within a watershed district;

- Imposition of preventive or remedial measures for the control or alleviation of land and soil erosion and siltation of watercourses or bodies of water affected thereby;

- Regulating improvements by riparian landowners of the beds, banks, and shores of lakes, streams, and marshes by permit or otherwise in order to preserve the same for beneficial uses.

Even given this extensive set of alternative purposes, watershed districts have not been established in most of the Metropolitan Area (less than 1/2 of the land is designated as such), and many developers have not experienced working within them. Even those who have worked successfully with watershed engineers or managers in one district, many find very different experience within a second. Districts which were formed at different times because of different water related problems lie within the same metropolitan boundaries. Some districts include numbers of highly developed municipalities. Others include small municipalities, townships, and rural areas. Diversity reigns.

Districts have the power to review and/or issue permits effecting development within the district. All ten districts have defined land use decisions as beyond their jurisdiction, but some boards of managers make permitting decisions on all activity in the area -- industrial, commercial, and residential. That is, most watershed managers abstain from judgements about the type of development taking place -- leaving that to regulation by city zoning laws; however, they do want to see that all development is consistent with their plans for water management. Other boards of managers have established thresholds for their activity. The builder of only one house on a single lot usually is excluded from the purview of the district. A project may be reviewed if it is over one acre (in some districts), or (in other districts) if over 100 cubic yards of soil will be altered in the process of building or change. Last year the number of permits issued related to housing development varied from none in one district to almost thirty in some others.

Watershed districts are governed by a Board of Citizen Managers who employ private consulting engineering firms to do much of their staff technical work. Conscientious engineers may foresee downstream effects of upstream activity which others have overlooked. They therefore will review development proposals which appear initially to have little to do with water.

After the municipality has approved his preliminary plat and has informed him that a watershed district permit is needed a developer brings his development plans and maps for the application to the district office. In some cases, he pays a minimal fee. An alternative used by some districts is to charge applicants for the engineer's time over a specific amount.

The engineer may work with the developer in modifying his plans to best maintain and control water quality and resources as required in the Watershed District Plan. The engineer then submits a recommendation for permit approval -- or very rarely denial -- to the board of managers who make the final decisions

in their monthly or semi-monthly meetings. Notification goes to both the developer and the municipality. The entire process, depending on the district, may take less than a month and rarely would take over two.

Obtaining a permit from a watershed district is simpler and more straightforward action than obtaining a permit (perhaps for the same development) from the Department of Natural Resources. However, the absence of standardization from one district to the next and the independence of districts from interagency accountability have caused the watershed districts to be criticized.

Yet, various watershed district engineers have spoken of the cooperation among municipalities which has slowly been growing in their districts, of the helpful cooperative relationship with the Department of Natural Resources Regional Office, and of the great power held by both the municipalities and the Metropolitan Council as opposed to the limited power which the districts have.

In acknowledging the cities' authority in land use decisions, one engineer described the districts' roles as "advisory" and not "regulatory" in reality. He said his district board functions to help developers do a better job (for example with plans for drainage) in projects that are already essentially approved by the city. Projects in this district have been turned down very infrequently. While not all watershed engineers described this kind of cooperation between boards and developers, the limited effect on development may be much the same.

Most engineers were aware of the confidence which their board of managers placed in them, but they also felt the weakness caused by low levels of funding which prohibited pro-active work on problem solving. Given the variety of watershed districts in the metropolitan area, all of these observations appear to be relevant, and some give support to the need for new legislation and a changed role for watersheds.

E. UNITED STATES ARMY CORPS OF ENGINEERS

The Army Corps of Engineers initially exercised federal controls only over the navigable waters of the United States. By federal amendments to the Water Pollution Act in 1972, its role was expanded to include related marshes, swamps, and similarly environmentally valuable wetlands resources. The enlarged scope for the Army Corps came only after heated congressional debate. There were those who urged a wider environmental protection role through permit approval and those who sought to contain Corps involvement to "navigable waters." The final compromise provided for a process by which the Corps could delegate responsibility to state agencies. Thus far no such delegation has taken place. Therefore the District Office, covering a three state area, may become involved with development proposals in the Twin Cities Metropolitan Area.

Developers planning any type of work within "navigable waters" or within

wetlands are to apply for a Section 10 or Section 404 permit at the District Office before any construction is started. Dredging, filling, excavating, dock or dam construction, and bank protection are all within the purview of the Corps. For this purpose wetlands are usually considered only if they cover at least ten acres which may include five acres of open water and five acres of adjacent wetlands. A housing project is most likely to call for a Section 404 permit when filling of wetlands is considered for increasing area for a subdivision.

The applicant furnishes a detailed description of the proposed activity, a site map and must indicate the status of all approvals from necessary state and local authorities and explain why any permits may have been denied.

When the Corps gets the completed application, a public notice is published and 30 days are allowed for any public response. The Pollution Control Agency, the Environmental Protection Agency, the Department of Natural Resources, the Fish and Wildlife Service -- and other governmental agencies if applicable -- are informed of the permit application. One of these agencies may request a hearing on the application or the agency may use the notice for its own information about the need to intervene in a project. If neither the public nor an agency requests a hearing (which can take an extra 45 days), the Corps staff evaluates the permit application.

Although permits are handled case by case, in a process of fact finding guidelines developed by the Environmental Protection Agency and the Corps of Engineers are used. Applications are evaluated not only by the development's impact on the supply and quality of water; but also by other environmental concerns, historic values; and the effect on recreation, food production, and fish and wildlife.

The developer may be asked to modify his plans in discussion with Corps staff. At the end of 60 to 90 days, the application review is usually completed. The developer is notified of the approval and when he pays the fee, the permit is in his hand.

The Corps, with a wide jurisdiction and limited staff, depends heavily on relationships with other agencies as the source of information about prospective developments that qualify for attention. The Corps also uses permit approvals and authorizations from other state and local regulators as prerequisites to its own approval. The Corps regard its own permit as the last link in a chain of decisions -- the Corps' permit actively complementing the work of other regulatory bodies. Only rarely would the Corps approve an action for a project disapproved by another agency.

The Corps and the Department of Natural Resources appear to hold overlapping roles in wetland development. Both friends and foes of the Corps continue to be uneasy with its extension of control over wetlands and its involvement in what many see as local land use issues. Corps staff have defended their role saying that while Minnesota has an unusually comprehensive body of environmental law regarding wetlands, in many states the Corps stands alone in preventing their depletion. Other critics say that the Corps, with an impossibly large area to oversee, has come to focus primarily on "fill" and consciously leaves other concerns for other regulatory bodies. The local Corps staff, unlike the DNR, have indicated they do not want to deal with the issue

of population density and leave that question to local land use ordinances.

From its own perspective, the role of the Corps in the Metropolitan Area has expanded in the past years, for the "easy" land -- the "choice" land for developing -- has now been taken and much of that which remains includes "wetlands" which will require the Section 404 permit. The Army Corps' tabulation of monthly permit activity shows that in 1980 53 permits were obtained within the seven county area. The information doesn't allow an easy assessment of the proposed developments, but it did suggest that no more than 29 permits and perhaps as few as two permits were related to housing development.

F. FEDERAL FISH AND WILDLIFE SERVICE

The Federal Fish and Wildlife Service may become involved in a residential development either as a result of a notice from the Army Corps of Engineers or by receiving a copy of the environmental review sometime conducted by the Federal Department of Housing and Urban Development in its evaluation of proposals for federal funding or mortgage insurance. The Fish and Wildlife Service cooperates with other agencies pursuant to the Federal Fish and Wildlife Coordination Act.

The Fish and Wildlife Service reviews permit applications and makes recommendations to the Corps when appropriate. These recommendations may be general or may request that specific conditions be attached to the permit. If there is disagreement between the two agencies, it is usually resolved locally but may be referred to Washington. For the most part, the Fish and Wildlife Service sees its concerns to be similar with those of the Corps.

The Fish and Wildlife Service staff amy contact developers when they have questions, arrange to make a site inspection, and meet with the applicant, thus making the applicant aware of problems they perceive as well as making their agency conspicuous to the public, even though it has only the power of recommendation to other agencies. They also may make comments and recommendations to HUD after seeing environmental reviews. The local office of the Division of Ecological Services, of the Fish and Wildlife Service, estimated that the Service has commented on about eight proposed housing developments in this area during the past year.

G. WATER QUALITY AND SEWER REGULATIONS

The Metropolitan Council, Metropolitan Waste Control Commission, and the State Pollution Control Agency (PCA) each have a distinct responsibility for a part of the waste treatment program in the area. Permit applications and plan approvals are closely coordinated among these three agencies. Developers or municipalities may bring proposals for sewer matters to all agencies at once hoping to save time and knowing that eventually all would review them anyway.

The PCA's responsibility includes setting standards for the water quality, approving the design and construction of sewer facilities, and being

the state conduit for federal monies available for sewer construction. The Waste Control Commission owns and operates the sanitary system serving almost all of the urban portion of the Metropolitan Area. The area designated as rural is served by the sewer systems of 15 small municipalities, some private systems, and approximately 60,000 on-site units. Even systems which it does not directly own, come under the Waste Control Commission's planning responsibility. In 1974, the Commission was charged with developing a five year Development Plan for the entire area; this included the technical aspects and the scheduling of investment in the capital facilities. (Because water flows by gravity, sewer systems are usually built within the natural flow of a watershed; therefore, in the process of designing and implementing the construction of any system, the Waste Control Commission has become a permit applicant in various watershed districts.)

With the same legislative mandate, the Metropolitan Council was charged with creating a Policy Plan for the region to deal not only with the quality of water and the services to enable it, but also with the population growth and the projected shape of the Metropolitan Area to the year 2000. This Policy Plan encourages the close coordination of the regional, municipal and private systems, and on-site units. It discourages "premature extension" of expensive sewer facilities beyond the urban service area as it is now defined.

This is consistent with the Council's overall Development Guide which anticipates the amount of population growth and recommends that residences be placed almost entirely within the urban service area where not only sewers but also other services are already available. Each developer is directly involved with the broad issue of water quality in planning for sewer services to new homes and he or she may have varying kinds of experience in dealing with the metropolitan agencies, the PCA and local units of government.

If the development is in an unsewered rural area and has fewer than 15 units, each with a site of at least ten acres of land, the developer needs to comply only with the sanitary regulations of the local government and to hire an engineer who understands on-site systems. However, if more units are involved, the PCA must approve the development and check construction of the facilities. If a higher density is proposed, the developer will run head on into the Council's policy of keeping the "rural" designated areas "rural" -- with a low population. In such a conflict the PCA will permit only what is consistent with Metropolitan Council policy.

If the developer is looking to use land -- as yet unsewered -- but in a municipality in the urban service area, the local government may well be able to arrange the necessary sewer extensions within (but not beyond) the sewered area. The city then deals with the Metropolitan Waste Control Commission and the PCA. During the last year approximately 200 such extensions took place in the Commission's system. If the municipality includes some land designated as rural and some as urban, the municipality has leeway in juggling the boundaries of the two so that a proposed development is seen as within the urban area and thus increases its eligibility for sewer facility extension.

If the developer or the municipality hopes for extension of the metropolitan sewer system into an unsewered rural area, the permit would be denied. The Council asserts that no metropolitan sewers will be extended beyond the urban area now being served and that enough open urban space still exists to satisfy the cities' growth to the year 2000.

If construction of a new sewer or the extension of a sewer line is called for, in addition to PCA's role with funding, this agency issues permits which set the limit on what may be discharged into the waters of the state, works with the city to guarantee the best in engineering design, and inspects the construction of all new treatment facilities.

If the developer deals directly with the PCA, he is most likely planning an on-site sewer system for use by a limited number of households. The PCA involvement depends on the project meeting these thresholds: over 15 housing units on one sewer system, or over 5,000 gallons of water used daily by a variety of units, or over 15,000 gallons of water used by one system for a multi-family development.

Such on-site systems are not common but have been increasingly used in the Metropolitan Area over the last decade, particularly as the "rural" designated area has become more developed. According to the Metropolitan Council, between 1970 and 1977, 12 percent of all new housing made use of on-site systems. Over 60,000 such units in the Metropolitan Area were served by on-site systems at the end of 1979.

PCA staff receive permit applications and publish notices enabling the public to respond by requesting a hearing. Simultaneously, PCA engineers work with the developer's engineer on the technical construction specifications so that the design of the waste treatment facility will protect the quality of the state's water. When a design is approved (and the Department of Health is informed of the action), 60 to 90 days have usually passed since the initial application was submitted. Once construction has begus, PCA staff schedule a site inspection to assure that the system is installed correctly.

The primary difficulty, PCA staff contend, is that developers often fail to allocate enough time for the engineering plans to be properly worked out with their agency.

Some developers and cities see on-site installation as the solution where no larger sewer system exists, but the Council does not wish to see their proliferation. The Waste Control Commission has no program requiring approval for the construction of private or publically owned on-site systems. The regional effects of a number of small units is unknown and the local municipalities and townships in which they are built seemingly do little to understand or survey the cumulative results. The Council fears that if the on-site systems eventually fail, the present metropolitan system will by necessity have to extend to "bail out" development that has already taken place. Such "bailing out" has been done before by the Metropolitan Council and staff and Board are unwilling to repeat the costly experience. Therefore, it is essential that on-site systems are installed correctly. With the PCA threshold, many small on-site systems are constructed independently of that agency's

regulations and are accountable only to the local unit of government. Such governments regulate with a variety of standards. The result is that no metropolitan wide management of on-site systems takes place.

Significantly, the Department of Housing and Urban Development does not accept applications for assistance for any new housing construction which includes reliance on individual on-site sewer and water systems.

In September 1980, the Metropolitan Council distributed a model ordinance for dealing with on-site sewer systmes which can be used by local governments within their own city ordinances. It says that no individual treatment system shall be installed on lands to which public sewer is available, and that developers shall locate individual treatment systems to achieve the maximum economic feasibility of connection to the public system. The model ordinance was developed partly in response to requests, but also to decrease municipal variation in on-site sewer regulation.

The present lack of accountability will be partially alleviated when all the municipalities have comprehensive sewer plans approved by the Waste Control Commission as mandated in the Land Planning Act. In approving plans the Commission is requiring that each community report its activities on an annual basis, thus an inventory of on-site systems can be developed. In February 1981, Metropolitan Council staff said that they expected these sewer plans to be completed by 1982. The Council has "encouraged" cities to work on their sewer plans by raising the issue at A-95 reviews which have had the potential for affecting funding available to other projects in these cities.

While PCA, Metropolitan Council, and Waste Control Commission work closely together, the Metropolitan Water Quality Plan of December 1979 urged an even closer relationship with a clear definition of the Metropolitan Council authority in the decision making process in urban service areas. When the Minnesota PCA worked out its agreement with the EPA for fiscal year 1981, a major goal was: "Need to implement a coordinated interagency municipal management strategy that integrates the permits, enforcement, and construction grant elements of the control program relative to publically owned treatment works." Thus even with agencies whose tasks are closely interwoven, room remains for further development of an efficient and accountable relationship.

H. METROPOLITAN COUNCIL:

The role of the Metropolitan Council is broad and diverse; planning for water quality through adequate sewage and pollution control systems is only one aspect of its responsibility. The Council is responsible for the creation of the Comprehensive Development Guide setting policy which encompasses physical, social and economic needs, and future developments. The Metropolitan Council also sets standards for municipal comprehensive plans. The Metropolitan Municipal Planning Act requires that these plans be approved by the Council.

The Twin Cities Metropolitan Council is also the A-95 review agency for developments in the area pursuant to OMB Circular A-95 and the Federal Intergovernmental Cooperation Act 1968 Title IV. The circular provides for a locally based review of federal and federally funded plans for subdivisions

and for subsidized and market rate multi-family housing to:

1) Insure conformance and consistency of local activities with state and areawide plans;

2) Increase coordination and communication among jurisdictions;

3) Improve the quality of plans and programs;

4) Reduce duplication and eliminate problems at an early point;

5) Provide an information base to regional and state offices.

Coordination of the A-95 review is uncertain. It may be eliminated by the Reagan administration. The program is described here as it has been run for the past years.

When developers apply for federal assistance or mortgage insurance for housing development to the Department of Housing and Urban Development the proposal is referred to the Metropolitan Council and it passes through the A-95 review process. The Council and its staff have 30 days to review the developer's plans and send advisory comments back to HUD. HUD then uses these comments in making its own determination of the project's feasibility. FHA mortgages for subdivisions are the type of housing development most frequently considered by the Metropolitan Council staff in the A-95 review process; they made up 93 of the 272 total reviews completed between July 1, 1980 and June 30, 1981. These applications are logged in at the Council and the Housing Referral Coordinator circulates them for comment from staff in other divisions.

The main thrust of the Council review is assessing the implication of new populations for the larger metropolitan systems such as sewers, parks, and transportation as presented in the Development Guide. The Council looks both to the continuing adequacy of these systems and the possibility of costly duplication of services. Density is considered very seriously if the development is proposed outside of the designated Urban Service Area. The Council staff consider the social effects of the distribution of subsidized housing for low and moderate income people and look for consistency with its policy of scattering such housing throughout the Metropolitan Area rather than concentrating low income people in a few localities. Council staff also look at the impact that a new residential development will have on the environment.

If staff find problems in the proposal, the developer is called in for discussion to resolve differences, rework the proposal or withdraw it for submission later. If the developer's plans are then found to be compatible with both the Metropolitan Development Framework and the comprehensive plan of the particular local unit of government, positive comments are referred by staff to a formal A-95 review session. Approval at this meeting is then sent to the HUD office within 30 days from the receipt of the proposal.

In the absence of problems, the developer is not involved with Metropolitan Council staff and may not even be aware of the timing of the A-95 review. The developer will be dealing with HUD, and when HUD informs him of its own

approval of the Site Appraisal and Market Analysis (SAMA) -- step one in the funding process -- this indicates that the positive review has come back from the Council. HUD makes its decision after return of the A-95 decision, but HUD is not bound to agree with the Metropolitan Council recommendations. On rare occasions HUD has continued discussions with a developer after the A-95 review discouraged continuation of a project.

Metropolitan Council staff members feel constrained in accomplishing their review in 30 days. Their role is perceived by some as clashing with HUD's expertise in housing matters on the one hand and clashing with municipalities' rights to determine the nature of their own communities on the other hand.

While the A-95 is only a review and advisory process to a federal agency, the Council has used it as leverage in getting local compliance with the Metropolitan plan for the distribution of subsidized housing.

The Council has designated authority for setting standards for the comprehensive plans which all Metropolitan Area municipalities must prepare. The Council can demand that plans be revised to meet its standards with reference to transportation, waste treatment, parks, and airports. However, the Council presently has only advisory review over the environmental component of these comprehensive plans. By mid-summer 1981 only approximately 50 percent of the cities had yet finished their comprehensive plans and submitted them to the Council. In these the environmental component was generally weaker than what the Council feels is necessary. Consequently, the Council has sometimes used the A-95 review as an opportunity to comment on environmental issues. If the Metropolitan Council were able to set specific environmental issues which surface in development would have less potential for dispute.

I. MINNESOTA HISTORICAL SOCIETY:

The water and wildlife existing on a site may complicate and lengthen a developer's course of action, the history of an area can also add extra steps if the developer is looking to the Department of Housing and Urban Development for federal financing or assistance. When an application is made to HUD, the Minnesota Historical Society -- through its State Historic Preservation Office -- has an opportunity to review the proposal.

The review fulfills Section 106 of the National Historic Preservation Act of 1966. It came as a response to the growing awareness that citizens had little means to protect local places of historic significance from the headlong movement of urban change. The act mandates that any federal agency having direct or indirect jurisdiction over any federal undertaking or federally assisted undertaking, "take into account" its effect on sites, districts, or buildings which are on the National Register of Historic Places or could be so potentially. The National Register itself is a list of properties that have been deemed "worthy" of preservation, but preservation is not mandated.

In practice, the developer rarely has personal contact with the Society; HUD staff route sections of a developer's initial application for assistance

to the Historical Society. The State Historical Preservation Office has 30 days in which to review the undertaking for negative effects it might have such as changing the integrity of a location or its workmanship, isolating a property or introducing elements that are out of character. If no such elements are apparent, the Society returns a "Determination of No Effect" to the HUD office. If adverse effects are seen or suspected, this is also communicated with suggestion about possible mitigating measures. HUD conveys these comments along with its own reactions to the National Advisory Council on Historic Preservation.

Even though HUD makes no unconditional commitments to a developer until the Society has responded, the Society's role is only advisory. HUD must only "take into account" the historic preservation issues which may be raised. Within the law, "take into account" is understood as: 1) following a set of procedures in which preservation factors can be weighed with other factors; and 2) protecting the public interest as opposed to only the developer's or only the preservation interest. The law's intent was not to automatically preserve, but to insure thoughtful consideration of what may be worthy of preservation balanced with other public needs.

Because the Society is only advisory, its influence varies from case to case. The rare times when the Society's intervention becomes public, as in objecting to the dimensions of the controversial Boisclair Project on the Mississippi East Riverfront, it has been accused by some of interference. Public attention to the Society in that case reflected as much the infrequency of its intervention as it reflected the nature of the Society's comments.

The Boisclair Project is planned for the very urbanized center of the Metropolitan Area. At this point, however, most developers are looking to outlying areas as the place to build. These areas are most likely to have archeological significance related to Minnesota's Indian heritage and the chances increase that developers' interests will collide with those of the Society.

The Historical Society has had very limited impact on housing development in the Metropolitan Area not only because its role is advisory but because its advice is often not taken. The Preservation Office reviewed 186 HUD referred projects in the Metropolitan Area in fiscal year 1980-81. The great majority were given immediate clearance as they appeared to have no effect on historic and cultural resources. Letters were written on 25 projects either providing rehabilitation advice or requesting additional information. Archeological surveys were recommended on 11 projects but actually completed in only one instance. HUD has not usually acted on the Preservation Office's recommendations and referred the survey request to the developer. The HUD position apparently has been not to support exploratory archeological research when an area is proposed for development. A much more satisfactory solution would involve completing the Historical Society's statewide survey of archeological sensitive sites.

The interest of historic preservation is also served by local historical societies. Minneapolis, St. Paul, Hastings, and Excelsior are cities with historic review commissions which play a role in the cities' development procedures. These local groups review building and demolition permit applications

to keep themselves informed of change. Sometimes one will call in the State Historical Society for advice in a matter, but in large part the Society has limited influence over housing development in the Area. Those factors which are traditionally "environmental," rather than historic, get far more attention.

J. ENVIRONMENTAL ASSESSMENT AND REVIEW:

Following the precedent set by federal legislation, in 1973 the State Legislature passed the Minnesota Environmental Policy Act which established a state environmental policy and provided:

> Where there is potential for significant evironmental effects resulting from any major governmental action, of any major private action of more than local significance,such action shall be preceded by a detailed statement.

The Environmental Quality Board (EQB) was established to administer the process of environmental review based on the "detailed statement." This Environmental Impact Statement (EIS) is defined in the law:

> The purpose of the Environmental Impact Statement is to provide information for agencies and private persons to evaluate proposed actions which have the potential for significant environmental effects, to consider alternatives to the proposed actions, and to institute methods for reducing adverse environmental effects. The Environmental Impact Statement is not a document to justify an action, nor shall indications of adverse environmental effects necessarily require that an action be disapproved. It is to be utilized as a guide in issuing, amending, and denying permits and carrying out the other responsibilities of public agencies to avoid or minimize adverse environmental effects and to restore or enhance environmental quality consistent with the Act.

The Environmental Quality Board itself includes a representative of the governor's office, four citizens appointed by the governor's office and the heads of the following state agencies: 1) Agriculture, 2) Energy, 3) Health, 4) Transportation, 5) Natural Resources, 6) Planning, and 7) Pollution Control.

In administering its environmental review responsibilities, the EQB has been concerned with relatively few residential developments. Between January 1979 and March 1980, EISs had been required and prepared for only four residential developments. Environmental Assessment Worksheets (EAWs) had been required for 77 residential developments in the same period. The EAW is a less detailed document which includes information available about the potential impact of a development on the following environmental factors: ecological effects, environmental hazards, water quantity and quality, resource conservation, energy and use, planning land use and community services, open space, historical and archeological resources, air quality, and noise. To permitting agencies and to the public, the disclosure of such information may serve to alter their findings or attitudes towards a development.

Under present regulations, any state agency -- including the EQB or responsible government body -- or a petition with appropriate evidence, the signatures of 500 people, and accepted by the EQB, can request that an EAW be done for a proposed project. (In 1980 the state legislature reduced this requirement to 25 residents of the state.) But EAWs are also mandated for all residential developments with 100 or more units in an unsewered area or 500 or more units in a sewered area. Developments with 50 or more units within a shoreland area also require an EAW.

Municipal governments in the cities where new housing is to be built submit most of the residential EAWs; the developer usually supplies some of the information and covers the expense. The EAW with its supporting data is circulated by the city for comment among federal, state, and local agencies including the Department of Natural Resources, the Department of Health, and the Pollution Control Agency. They review the proposed project and its surrounding environment and transmit their comments back to the local unit of government. The local government then decides if the project has a significant negative impact on the environment or if the project has more than local significance. If not, the local government decides that further disclosure of facts with an Environmental Impact Statement is unnecessary. The EQB publishes this determination. If no public or private group opposes the decision within a 30 day review period, the EAW receives the official designation of "Neg Dec" -- a declaration that no further study is necessary. The total process at the state level takes three to five months to be completed and all local and state permits wait final approval until the process is completed. For some agencies the EAW acts as the first notification that a project has been proposed, and it provides additional information by which to make a determination approving or not approving that activity within the particular agency's jurisdiction.

If the EAW information suggests that an adverse environmental effect is possible, preparation of the fuller EIS is required. Completion of a draft EIS, a public hearing on this, then preparation of a final EIS and its submission to the EQB and review, comprise a process that can stretch out for an additional year before the Environmental Impact Statement is finally determined to be adequate. A copy of the EIS goes to those agencies which commented on the EAW and which request a copy. If the EIS has revealed significant adverse effects, the permitting agencies or units of government may demand that the developer work out ways to mitigate these before they offer their approvals.

In 1980, responding to concerns expressed by developers, local government officials and the EQB itself, the state legislature required a revision of the rules and regulations that accompany the Environmental Protection Act, a change which would alter the process just described. The changes were intended to accomplish a variety of goals.

Since 1973, the EQB has been increasingly bogged down with the details of these environmental reviews which -- in the great majority of cases -- were based in land use disagreements on a local level rather than from environmental concerns. To call for an EIS on a proposed project has become a strategy employed by those who oppose a local development for political and social reasons. To give more authority to local units of government in the process and free the EQB for more of its environmental responsibilities is a logical solution. Additionally, the review process itself has been

criticized as lengthy and cumbersome, and consequently it has become a costly thorn in the side of developers for whom time is money.

For the past year the EQB staff has solicited suggestions from state agencies and public and private organizations all over the state to aid in drawing up new rules. These rules are to establish more authority in local "responsible governmental units," and balance flexibility with predictability for the developer or the agency who initiates a project.

Hearings on the newly proposed EQB regulations were concluded in December 1981. Public comment was officially closed in January 1982. A hearing examiner is now considering the thousands of pages of written and oral testimony that were generated from groups, individuals, and municipalities all over the state. The examiners' recommendations along with staff response will be presented to the EQB Board by spring; the Board has the freedom to agree or disagree with recommendations. Even assuming that agreement takes place, it is very unlikely that any new regulations would be adopted before summer 1982.

Rural county governments, private utilities, urban commercial and residential developers, environmental protectionists, and various combinations of Minnesota cities, are only some of the groups that have consistently appeared at meetings to express dissatisfaction with certain aspects of what has been or is now proposed.

The rules proposed as of July 16, 1981, include mandatory Environmental Impact Statements for certain categories of development; the existing legislation has had such mandatory categories only for the preparation of Environmental Assessment Worksheets. This is the most significant change for residential developers, many more EISs and EAWs will be prepared in the future. While both local units of government and people representing the housing industry have proposed increasing the number of housing units used as the thresholds (thereby reducing the number of EAWs and EISs) and eliminating the different "classes" of cities, thresholds now proposed are as follows:

Mandatory EAW for:

Construction of a permanent or potentially permanent residential development of:

- 50 or more unattached, or 75 or more attached, units in an unsewered area;

- 100 or more unattached, or 150 or more attached, units in a third or fourth class city;

- 150 or more unattached, or 225 or more attached, units in a second class city;

- 200 or more unattached, or 300 or more attached, units in a first class city.

(First class cities are those with over 100,000 residents; second class cities have 20,000 to 100,000; third class cities have 10,000 to 20,000;

fourth class cities are those with less than 10,000 residents.)

Construction of permanent or potentially permanent residential development of:

- 100 or more unattached, or 150 or more attached, units in an unsewered area;
- 400 or more unattached, or 600 or more attached, units in a third or fourth class city;
- 600 or more unattached, or 900 or more attached, units in a second class city;
- 800 or more unattached, or 1200 or more attached, units in a first class city.

Construction of a permanent or potentially permanent residential development of 40 or more unattached units or of 60 or more attached units, if the local government unit has not adopted state approved shoreland, flood plain, or wild and scenic rivers land use district ordinances, as applicable, and either:

- the activity involves riparian frontage, or
- 10 or more acres of the development is within a shoreland, delineated flood plain, or state or federally designated wild and scenic rivers district.

In addition to mandatory EISs and EAWs, any group of 25 individuals may petition the local government for preparation of an EAW. (The old regulations required 500 signatures on the petition.)

The work of the EQB staff has been considerably criticized in this process of legislative revision, yet staff's stated goals of flexibility, predictability, streamlining, and eliminating the costly duplication of governmental efforts are identical to the goals of their critics.

Staff of the Department of Natural Resources and other state agencies have questioned if local units of government are committed to environmental concerns. Even cities and townships which welcome increased decentralization of authority are doubtful of their own ability to find the staff and financial resources to prepare an increased number of EAWs and a greatly increased number of EISs. The City of Eden Prairie has had one of the highest numbers of mandatory EAWs to prepare. As part of its planning fees, $200 is charged the developer for this work, although the cost in staff time often goes beyond this account. At a public EQB meeting in June 1981, a letter from the City of Thief River Falls was presented which stated an EAW regularly took their consulting engineers 40 hours to prepare at a cost of $1,000. Ideally, under the new regulations the cost of the EIS should be held down for its focus will be limited to those environmental issues which are identified by the EAW and in the "scoping provision." And the EAW itself is taking a new and simplified form.

Many have looked at the proposed regulations and found none of the streamlining or reduction of governmental overlaps which were promised when the revisions were first called for.

A comparison of proposed procedures with present regulations shows that the review period for the EAW has been reduced somewhat. On the other hand, the minimum EIS preparation and review period has apparently increased from 220 to 280 days. As it is freely predicted that the number of both residential EAWs and EISs will increase, more residential developments will face the delays and uncertainties which the environmental review imposes.

The environmental review procedures do not lead directly to a decision on a proposed development. Rather the EAW and EIS provide data and analysis about the anticipated environmental effects of the proposed development and are advisory to permitting agencies. While the environmental review is underway, the development may not proceed, and local and state approval agencies may not rule on permits.

The environmental assessment is thus a source of delay and uncertainty which is separate and distinct from delays accompanying the individual state and local permit approval procedures. One answer may be to carry on the two processes simultaneously. However, then the developer is risking the possibility that the development is turned down or has to be altered as a result of environmental review.

K. COORDINATION OF ENVIRONMENTAL REVIEW WITH MUNICIPAL COMPREHENSIVE PLANNING:

Environmental review and land use planning have followed their own independent courses both in Minnesota and nationally. The resulting lack of coordination has contributed to delays in the development process and frustration for developers.

Land use and subdivision controls, comprehensive planning and zoning have been delegated to municipalities by the state legislature in a series of acts culminating in the Metropolitan Municipal Planning Act of 1976 and the 1980 amendments to the Subdivision Acts.

The National Environmental Act of 1969 implemented by executive orders in 1970 amended in 1977 require all federal agencies to prepare an Environmental Impact Statement for any major federal action "significantly effecting the quality of the human environment."

The National Environmental Policy Act, did not however inaugurate state and federal concern with environmental matters. They were added to a long standing concern for sites which involve wetlands, streams, rivers, and lakes where both the Department of Natural Resources, the watershed districts, the Pollution Control Agency, and other state agencies have responsibilties and permitting procedures. Where water is concerned the Federal Army Corps of Engineers and the Fish and Wildlife Service may also enter in. The environmental impact analysis is not formally coordinated with these reviews.

The lack of coordination between the land use planning and zoning and subdivision control on the local level with environmental review at the state

and federal levels has been a costly source of frustration and delay for developers. The proposed EQB regulation by delegating more responsibility to the municipalities for the preparation of Environmental Assessment Worksheets and Environmental Impact Statements will help alleviate the problem (while it may well create others). A further step is needed -- an effective method for coordinating environmental review with the preparation of Comprehensive Municipal Plans through providing for a municipal wide environmental analysis which would limit the scope of project EAWs and EISs to site-specific issues.

Municipal wide or area wide environmental assessment has been the subject of much thoughtful study and has been endorsed by the Association of Metropolitan Municipalities and the Modest Cost Private Housing Committee locally and by a number of development and environmental groups at the national level. HUD has sponsored a study of Area Wide Environmental Assessment yet to be published. Robert L. Hoffman and David C. Sellergren proposed integration of comprehensive planning and environmental review in Minnesota in A Proposal for Integration of Comprehensive Planning and Environmental Impact Analysis in January 1978. Their proposal includes specific proposed legislative changes.

A governmental agency or unit of government is always formally responsible for the environmental review. In state terms, it is the responsible governmental unit or RGU. The costs of housing EAWs and EISs are assumed by the developer and become project costs to pass on to the buyer along with any resulting costs of delay, or costs of changes due to the environmental review.

Hoffman and Sellergren proposed to move much of the environmental analysis into the comprehensive planning process by the legislative mandating of a municipal Comprehensive Plan Environmental Impact Report which "would analyze the environmental impacts of growth and development as projected by the municipality's comprehensive plan." They see the following advantages:

1. The aggregate impact of development on the environment can be more adequately addresssed and analyzed;

2. Environmental impacts can be addressed at the community planning stage when alternatives and mitigating actions can be proposed and analyzed before funds and resources are committed to specific projects;

3. The costs associated with preparation, analysis, and review of project EISs can be greatly reduced, thereby reducing overall development and housing construction costs; and

4. Delays in approval and construction of projects can be minimized.

In Streamlining the Housing Development Approval Process, December 1979, in essence the Metropolitan Council and the Association of Metropolitan Municipalities endorsed the Hoffman-Sellergren proposal. Their Recommendation

16 reads:

> The Minnesota Legislature should amend state law to enable local comprehensive plans containing acceptable environmental elements to satisfy major environmental issues currently addressed in environmental impact statements.

Metropolitan municipalities are currently preparing comprehensive plans which were required by the Metropolitan Municipal Planning Act of 1976. These comprehensive plans must contain land use plans which include environmental elements. However, these environmental elements are usually not detailed enough to meet the needs of environmental impact analysis and, unlike other comprehensive plan elements, the Metropolitan Council has no power to set standards for the content of the environmental elements.

The proposed municipal wide environmental analysis would define the environmental issues in each part of the municipality and perform a scoping function narrowing the environmental issues connected with each site. Much of the data and analysis now required as part of project EAWs and EISs would be incorporated in the municipal analysis and the EAWs and EISs would concentrate on the specifics of the proposed projects.

The municipal impact analysis would test the densities and intensities of development, and the holding capacity of particular areas in the municipality against environmental concerns and state the conditions which a developer must face in proposing to develop an area. Thus before he had committed resources to a proposed project the developer would be on notice as to any special problems he might meet and mitigating actions which he might have to take. Residents of the community would have the opportunity to raise environmental issues at the planning rather than the project stage. The important questions could be handled early, before battle lines have been drawn about a particular development proposal and costs have been incurred.

While most municipal comprehensive plans being prepared pursuant to the 1976 act are completed or well along, it is still possible to follow the Hoffman/Sellergren proposal of an additional environmental report.

The municipal environmental analysis proposal has many advantages for developers and home builders. It should substantially reduce uncertainty about environmental issues and let developers know where they stand with regard to them. While it will not eliminate all neighborhood objections to proposed developments, it will bring objections based on environmental concerns out in the open during the comprehensive planning stage and allow them to be judged on their merits. At present there is much overlap and duplication in project Environmental Impact Statements when proposed projects are near each other. This proposal will eliminate much of this duplication, and not only add to governmental efficiency -- but ultimately to a savings in time. As a result, the costs to both developer and consumer can be reduced.

VI. NEIGHBORHOOD OPPOSITION

Land developers are increasingly caught between the opposing sides of a bitter undeclared conflict. On the one side is the Metropolitan Council and the city fathers of the growing suburban cities with their objectives of making housing available to a range of potential occupants as stated in newly-adopted comprehensive plans which call for some medium or higher density housing. On the other side are the neighborhood home owners, often allied with the environmental agencies and their environmentally concerned constituents. Any increase in density or change in house type is seen by the neighborhood forces as a threat to their property values, their peace of mind and their way of life. (Higher density housing or what is perceived as higher density housing is particualrly objectionable. "Town homes" and "Quads"and condominiums are all suspect.) Developers are looked upon as the heralds of a horde of intruders who will trample the environment and the social fabric simultaneously.

Most builders and developers, and many city planners and municipal development officials with whom we talked, pointed to the attitude of the present owners of single family homes in the local neighborhood as the most important factor in determining the future of residential development in the metropolitan area. What was once thought of as an unpredictable element has become all too predictable. Any proposed development which varies from the detached single family house, particularly if it is publicized as serving moderate income people or a range of incomes, will meet with vigorous organized opposition. This is true whether the adjacent areas consist of modest houses or larger homes on large lots.

Many times these local objections are couched in environmental or land use terms. It is said that the proposed development will disturb environmentally sensitive areas or will generate too much traffic within the neighborhood. Frequently more significant is a prejudice against renters or condominium owners or occupants of lower priced housing. As one builder said, "Everyone wants to own the lowest priced house on the block." Anything which appears to be of lower value than his house or his conception of the neighborhood is opposed. Opposition has been particularly bitter when the builder's proposal is seen as unconventional, for example, cluster housing in a Planned Residential Development.

The concern expressed by the present residents about the environment is often quite understandable. Earlier settlers may have selected the area partially because of woods or open areas close at hand, even though these may be privately held and subject to development. When housing is proposed, the amenity provided by the open space suddenly becomes very precious.

Planners and developers tend to line up together when developer proposals are consistent with the previously approved plan but are now found objectionable by the neighbors. This may be an area marked for higher density housing in a municipal comprehensive plan or as part of an approved Planned Unit Development. Occupants of detached single family houses on larger lots sold earlier now oppose the adjacent higher densities. Previously they had not taken the plan seriously or thought it would materialize. It takes considerable political courage for local councilmen to stick by the plan with its implied commitments in the face of determined and persistent neighborhood

opposition. Too frequently, builders have experienced what they call "weak-kneed City Councils" that capitulate before the citizen onslaught.

A number of fairly spectacular cases have been pointed out. In one municipality, a builder was forced to reduce density to about one half that called for in the zoning ordinance in order to obtain approval for a condominium development, with a resulting increased per unit land cost and consequently higher prices to the buyer. In another, the builder could not get townhouses approved in a staged planned unit development although they were called for by the PUD plan. In this case, single family houses had been built on adjacent land in an earlier stage of development and the new homeowners now opposed the townhouses. In this sort of situation developers feel that they have been illegally deprived of their right to develop their land, but are reluctant to seek a remedy through the courts because they wish to continue to work in the municipality and do not want to prejudice local city officials against them.

In less developed municipalities at the fringes of the MUSA line, the neighborhood opposition issue is often less acute simply because there are no established neighbors and what is being proposed by developers is similar to what has already been built. On the other hand, in the more fully developed municipalities, land that is now being sought out and developed was passed over earlier.

Builders and developers are becoming reluctant to chance neighborhood opposition. They are beginning to test the water before spending money and time on subdivision plans. Some major developers have told us that they will not buy land if after investigation they feel there will be any opposition. They cannot afford to be known as disrupters of neighborhoods and do not want to risk the uncertainties of organized opposition. This contributes to the rising cost of land because it curtails the supply by delaying or preventing the development of parcels which otherwise would be available. These areas are included in Metropolitan Council estimates of land available within the MUSA line.

This sort of neighborhood opposition thus tends to thwart metropolitan housing and land use objectives in two ways. First, lower cost higher density housing which the Metropolitan Council, many city governments, builders and developers would like to promote in the suburbs meets the most neighborhood objection. Secondly, infill sites are parcels on which the metropolitan development frame work seeks to focus development but these sites are the most likely to encounter opposition by neighboring residents.

Obviously there is no simple solution. Each case is different and many of them involve two or more legitimate perspectives which are difficult or impossible to compromise. The developer often cannot meet neighborhood objections and also serve the market. If he can, he may come up with a solution which is unacceptable to the Metropolitan Council or the municipality.

We believe, however, that there are actions which individual builders and developers and the Housing Council can take which will help alleviate the situation. These should narrow the concern to serious and legitimate issues. We recommend therefore that developers and the Housing Council should:

1. Carry on continuing education as to the actual rather than the perceived effects of such "suspect" elements as attached housing, townhouses, condominiums ownership, cooperatives, clustering, planned unit developments, etc.

2. Join with municipalities in fostering early discussion of the implications of higher density or multi-family designations in the comprehensive plan and zoning ordinances in order to get the concerns of residents out on the table at the planning stage, rather than letting them fester until a specific development is proposed.

Some developers make a practice of discussing their plans with adjoining neighbors at an early stage. We believe this is good parctice. Frequently good relationships can be established, the developer can make changes suggested by neighbors and development proceed more smoothly.

Because new buyers soon take on the cloak of "old residents", developers should make the entire development plan clear to their clients, especially if it includes higher density housing. The buyers should be fully aware of the conditions under which they are buying.

A P P E N D I X

APPENDIX A

PLANNING FOR WATER MANAGEMENT

While some developers have decried the existence of all government regulation, recent studies by the Metropolitan Council and the Minnesota State Water Planning Board have been mainly critical of the numbers of agencies involved in water issues and see redesign of responsibility -- not elimination -- as the crucial issue. The Water Planning Board determined that 16 state agencies administered at least 80 different water related programs. The Metropolitan Council assessed at least 36 different government agencies playing a role in water management in the Metropolitan Area, including watershed districts and County Soil and Water Conservation Committees.

The report from the State Water Planning Board asserted that the judgement about water management by a legislative committee in 1969 was still accurate in 1981:

> The administrative system has become so large and complicated that few if any government officials and citizens have a clear understanding of the entire system . . . .

The report continued, "Current arrangements are often characterized by unclear relationships, are frequently dependent upon development of crises before adequate authorities are mobilized, are given to single purpose and uncoordinated approaches . . . ."

The legislature had periodically directed comprehensive studies to be undertaken and as a result of such previous efforts, the Watershed Act of 1955 was adopted. The Environmental Quality Board, created in 1973, was also borne partially out of recommendations for improved water management. Nonetheless, a statewide plan for water and related land never congealed. The Water Planning Board was called together in 1977 to review the nature of existing water authorities and develop the means for appropriate comprehensive planning. The first piece of work was completed by the Board in 1979, Toward Efficient Allocation and Management: A Strategy to Preserve and Protect Water and Related Land Resources. In January 1981 the next stage, Local Water Management Study, was completed. This study has recommended a design for integrating certain state and local units of government to the end goal of strengthening local government to carry out water management with support and supervision from the higher levels of government which would thus guarantee statewide quality.

Simultaneously, staff at the Metropolitan Council have been working since 1977 to fulfill Section 208 of the federal Clean Water Act which projects clean water goals for all of the nation's waters. In addition to the existing Regional Sewer Plan, a Regional Water Quality Management Plan and a management organization with authority to implement necessary projects are required. The final proposal for this would eventually be approved both by the Metropolitan Council and by the federal Environmental Protection Agency. The staff has recently completed an analysis of alternative governmental arrangements which can counter the effect of non-point pollution, that is, the drainage of run-off water which has had a significant effect in polluting the region's waters. The amount of run-off and the quality of water are very

related. Construction activities can strip the ground of natural vegetation which contributes to water absorption and the terrain may be changed which increases an unimpeded flow of water. As the ground is covered over with impervious surfaces -- the paving of driveways for example -- the speed of water run-off is increased and carries with it sediment and pollution which finally is deposited in the area's water bodies. As yet no urban area in the nation has designed and implemented what is considered a successful strategy for dealing with non-point source pollution.

Both the Planning Board and the Metropolitan Council have grappled with the advantages and disadvantages of special purpose units of government -- such as the watershed district formed along natural lines for hydrological purposes, and general purpose governments -- such as cities and counties which give attention to the use of water for various activities as one of many issues. Currently it is these general purpose governments -- particularly cities and urban towns, and counties, which have broad authority for water management in the state, but they often lack adequate financial and technical resources to do the long term planning and implementing of needed capital intensive projects. Because of the Land Planning Act, the Metropolitan Council, as a planning commission has more authority with water issues than other such planning commissions around the state.

When the State Water Planning Board put together its study, one alternative was to emphasize the role of watersheds, however, this was rejected in favor of emphasizing the role of general purpose government. Interim discussion on a comprehensive piece of legislation implementing most of the study proposals began in the fall of 1981; action on the bill is expected in the 1982 session. The Metropolitan Council staff also suggested a variety of governmental relationships, each of which included a role for the Metropolitan Council to approve water management plans and necessary budgets for project implementations. Staff recommendations thus far favor planning for water on the basis of hydrological units -- an adapted and enlarged role for watersheds which would become "water management organizations." These would be increased in number to cover the seven counties and their planning function would also be expanded. One of the alternatives considered, "County Local Water Management" was more similar to the state board's plan but was rejected. Staff recommendations have to go through committee deliberations and final approval by the Council itself will likely occur early in 1982.

Thus the Metropolitan Council staff has favored hydrological units for water planning which cross the current political jurisdictions and the State Water Planning Board has favored a focus on counties and cities as local government. A state staff person suggested in an interview that the differences may well be reconciled by state legislation which applies only to out-state, and the Metropolitan Council will determine the process for water management within the seven county area.

What is the developer's investment in this research which has been conducted and the alternatives which will be considered by the State Legislature and the Metropolitan Council? Over time the influence of citizens and the activities of the legislature have established Minnesota in the forefront of environmental concerns and environmental protection. The strength of this heritage makes it unlikely that protective regulation will significantly lessen -- even with the federal thrust toward deregulation and the state's current budgetary problems. What developers can surely entertain with the

current attention to comprehensive water management, is an increase in overall planning which should lead to more "givens" when developers are making crucial decisions about what can be built where.

In their findings the Metropolitan Council staff highlight the value of wetlands preservation as natural drainage areas. This may eventually further reduce the "available" land for development in the area. However, the existence of watershed management organizations -- if that plan is adopted by the Metropolitan Council -- with their clear lines of accountability to the Council above and below to cities and counties, helps to establish a consistency throughout the area. In a comprehensive way, water conservation and water quality would get onto the agenda of every municipality; city zoning and subdivision regulations would be used to implement plans. While this might appear at first hand to put further constraint on the developers' options, there would also be an increase in predictability which developers can translate into a savings in time and therefore a savings in money.

The alternatives in governmental regulations as thus far described by the work of the Metropolitan Council have not made specific mention of the current permitting role of the watershed districts and the state DNR, though "regulatory" programs are a defined responsibility in the 208 Plan and "enforcement" is described as a task of the regional, the watershed, and the local level. The recommendations of the Water Planning Board suggested incentives which could hasten the completion of necessary plans in the counties and cities; this included delegating to these units the "state permit responsibilities." Again, the developers and builders who hope that changes in governmental structure will lessen the regulation of the environment, will no doubt be disappointed. But the number of agencies and governmental units playing a role in the regulation should lessen, for example, the duplication that many see in the permits from the watershed districts and the public water permits of the Department of Natural Resources may well be eliminated, but the role of the federal government, as in the Army Corps of Engineers, continues to be beyond the influence of changes within the state.

Currently each watershed is mandated to adopt an Overall Plan for the watershed -- a statement of existing water related problems, possible solutions and general objectives of the district. The problems are usually the original cause of the district's formation and often need continuing monitoring. Not only does the permit process vary somewhat from district to district, but the Overall Plans also differ greatly.

The Metropolitan Council has had the authority since 1977 to review all the Overall Plans as they are developed by the districts, but the Council's guidelines are not binding on the districts. The Council has been outspoken in criticizing the quality of the Plans -- all of which meet the legislative requirement, but most of which fall far short of being comprehensive or standard planning tools which could be a regional resource. The State Water Resources Board has supported the limited definition of Watershed District Overall Plans. However, with the alternatives for change proposed by both the State Water Planning Board and the Metropolitan Council staff, the role of the watershed in water management will be altered within the next years.

The Watershed Management Organization proposed as one alternative by

Metropolitan Council staff differs from the existing watershed districts in a number of ways, not the least of which is its accountability. The draft proposes: "Local governments must be responsive to the Watershed Management Organizations, and the Watershed Management Organizations are accountable to the Council." Within the existing watershed districts, the question of accountability of district staff, managers, plans, and permitting process is currently controversial. The initial legislation included no request for written agreements among the units of governments with whom the watershed deals. A remedy was sought in a new bill prepared at the very end of the 1980-81 session. This is separate from the proposals of either the Metropolitan Council or the Water Planning Board; it proposed reviews of watershed action by other levels of government, but the result in the first draft appeared to further complicate already complex intergovernmental relations. In addition to the concern about accountability, some legislators were concerned that watersheds have the ability to solve water related problems which require significant capital expenditures beyond the district's jurisdiction. This concern with helping -- or making -- watershed districts perform their functions, has been prominant in the arguments of the Ramsey County Board of Commissioners as well.

Ramsey County, the most urbanized of the seven counties, has been documenting its criticism of the watershed districts lying partially within that county. The Ramsey County Planning and Development Unit sees the procedure as one controlled by the private consulting engineers, not the board, with a jurisdiction vastly over-extended. Permits can conflict with the decisions of other government bodies which have zoning and planning responsibility. The problem is seen to lie primarily with the structure and statutes governing the districts. The Ramsey County report discussed: Lack of Accountability, Major Potential for Overlap, Lack of Professional Expertise (in the board of managers) and the Failure to Solve the Problems for Which They Were Created -- this was described as, "Perhaps the most disturbing issue . . . ."

APPENDIX B

TABLE 4 . DEVELOPMENT FEES FOR A SUBDIVISION OF SINGLE FAMILY DWELLINGS AS OF JULY 15, 1981

	Apple Valley	Bloom-ington	Brooklyn Park	Coon Rapids	Cottage Grove	Eagan	Eden Prairie	Lake-ville	Lino Lakes	Maple Grove	Plym-outh	Wood-bury
Preliminary Plat Fees	$100.00	$3250.00(a)	$400.00(a)	$1600.00(a)	-	$100.00(a)	$175.00(a)	$200.00(a)	$50.00(a)	$200.00(a)	$2250.00(a)	$250.00(a)
Final Plat Fees	330.00(a)	350.00(b)	-	100.00	400.00(a)	400.00(b)	4500.00(b)	(b)	(b)	100.00(b)	100.00	100.00
EAW	-	-	-	-	-	-	(c)	-	-	-	-	-
Other Charges	-	-	500.00(b) 250.00(b)	-	-	-	(d)	-	-	-	-	-
TOTAL	$430.00	$3600.00	$1150.00	$1700.00	$400.00	$500.00	$4675.00	$200.00	$50.00	$300.00	$2350.00	$350.00
Park Dedication (Cash in Lieu of Land)	$45,000(b)	(c)	$50,000(c)	$27,450(b)	$63,750	$45,000 (c)	$48,750(e)	$45,000(c)	$7,500(c)	(c)	$54,000(b)	$60,000(b)
Landscaping Bonds/ Escrow/Credit Letter	(c)	(d)	(d)	(c)	(c)	(d)	(f)	(d)	(d)	(d)	(c)	(c)
Development Bonds/ Escrow/Credit Letter	(d)	(e)	(e)	(d)	(d)	(e)	(g)	(e)	(e)	(e)	(d)	(d)
Engineers Fees	(e)	(f)	(f)	(e)	(e)	(f)	(h)	(f)	(f)	(f)	(e)	(e)
Other Charges	-	-	-	(f)	-	-	-	-	-	-	-	-

TABLE 5. ADDITIONAL DEVELOPMENT COSTS FOR REZONING, CONDITIONAL USE AND SPECIAL USE PERMITS AS OF JULY 15, 1981.

	Apple Valley	Bloom-ington	Brooklyn Park	Coon Rapids	Cottage Grove	Eagan	Eden Prairie	Lake-ville	Lino Lakes	Maple Grove	Plym-outh	Wood-bury
A project other than such a subdivision may incur these additional costs:												
Rezoning Fee	$150.00	$250.00	$150.00	(g)	$200.00	$150.00(g)	$200.00	$125.00(g)	$50.00(g)	$100.00(g)	$250.00	$300.00
Conditional Use Permit	-	-	250.00		75.00	75.00	-			150.00	100.00(f)	(f)
Special Use Permit	-	-	-	(h)	-	-	-	50.00(h)	(h)	-	-	
Variance Permit	-	50.00	-		35.00	50.00	-	-		125.00	-	
Subdivision Variance	-	-	-		-	-	-	-		-	75.00	
PUD Application or Rezoning	300.00	(g)	-	(i)	200.00	(h)	200.00	(i)	-	200.00(h)	600.00(g)	(g)
Other Charges	-	-	-	(j)	-	-	-	-	-	-	-	-

CITY FOOTNOTES

Apple Valley:

a) Final Plat Fee is determined by the number of lots. $5 per lot for the first ten lots and $2 for each additional lot. $5 x 10 lots ($50) + $2 x 140 lots ($280) = $330 for a subdivision of 150 lots.

b) Park Dedication is required as 10% of the total land area or cash for this amount of land at $9,000 an acre. 10% of 50 acres = 5 acres. 5 acres x $9,000 = $45,000 for park dedication in a subdivision such as the one described.

c) Landscaping Bonds are required only for commercial developments.

d) Development Bonds are required in an amount of 125% of the estimated cost of the street and curb work improvements, etc., if the developer is making these improvements. If the city is doing the work the cost of the improvements is assessed back to the property owner.

e) Engineers' Fees are assessed to the property owner if the city staff or consultants do the engineering work. If the developer supplies all engineering expertise then the city charges the developer for the reimbursement of the staff time spent in making final review of the engineering plans.

Bloomington:

a) Preliminary Plat Fee is determined by acreage and number of lots. $50 an acre plus $5 a lot. In this case it would amount to $50 x 50 acres ($2500) and $5 x 150 lots ($750) = $3250. Developments with six or fewer lots require only a $50 administrative fee as the Preliminary Plat Fee.

b) Final Plat Fee is determined by the number of lots. There is a basic $50 plus $2 fee for each lot. $50 + $2 x 150 (300) = $350. With small developments requiring only the administrative fee, no final plat fee is required.

c) Park Dedication of land or cash is required; the city chooses the alternative of 10% of the undeveloped land value in land or in cash. This land value is determined by appraisers. Land is requested when the development covers an area designated as park land in the city's Land Use Plan.

d) Development Escrow is required for improvements as part of the subdivision ordinance. The city lets bids for these improvements - gutters, curbs, etc; the developer may be one of many bidders. The city requires a non-interest bearing cash deposit, or may accept at its option, an irrevocable letter of credit or bond or other instrument which provides an

equal guarantee to the city.

The developer's cash deposit must equal 10% of the estimated cost of improvements as specified in the subdivision agreement with the city. As the lots are sold, the developer must present cash in the amount of 125% of the estimated cost of improvements per lot.

If a bond is used as an alternative, the bond must be in the amount of 150% of the improvement costs.

f) Engineers Fees are included in the Preliminary Plat Fee.

g) Planned Unit Development zoning is considered as regular rezoning request.

Brooklyn Park:

a) Preliminary Plat Fee of $400 is charged for all developments, but if the plan is for any type of housing other than single family dwellings, a conditional use permit for $250 is also required.

The developer must also bring the city the names of all homeowners within 350 feet of the planned development. These names are obtainable for $1 each at the County Courthouse.

b) Subdivision Escrow is required with the platting fee. This is $50 per acre with a $250 minimum and a $500 maximum. In this case the $50 x 50 acres = $2,500, therefore the maximum $500 would be charged. If a development has fewer than six units the minimum is $150.

Also, a filing fee is charged. This is $3 per lot with a $150 minimum and $250 maximum. $3 x 150 lots = $450, therefore $250 would be charged in this particular subdivision.

If a development has six or fewer units, $100 is the minimum.

c) Park Dedication of land or cash is required. The City Park Director chooses the alternative. City ordinance states 10% of the area of the development can be required. The developer can also pay 10% of the Market Value of the land with a maximum charge of $1,000 per acre. In this case 50 acres x $1,000 acres = $50,000.

d) Landscaping Bonds are required on some subdivisions. Certain subdivisions are required to have berming and landscaping when they abut commercial/industrial land uses or high volume traffic arterials. The bond must equal 150% of the estimated costs of the landscape construction.

e) Development Bonds are required in the developer's contract with the city. The bond must equal 150% of the cost of the streets, curbs, utilities, etc. If the developer chooses to put up a cash escrow, it must equal 6.5% of the costs.

f) Engineers' Fees are handled by no special provision. No specific charge is made for this use of staff.

Coon Rapids:

a) Preliminary Plat Fee is $100 plus $10 per lot. In a development with 150 lots, the fee is $100 + $10 x 150 lots ($1,500) = $1,600.

b) Park Dedication Fee is required for subdivisions in cash or land. Land must equal a percentage of the development's area, depending on the population and housing density per acre. Zero to one unit per acre requires a land dedication of 5%; two to three units require a dedication of 10%; four to five units - 12%; six to seven units - 14%; eight to twelve units - 16%; thirteen to sixteen units - 18%. One hundred and fifty units on fifty acres is three units per acre or a donation of 10%.

Cash donation has been determined as $183 for single family houses. The number of persons per unit of other types of housing has been found to be lower than that number occupying single family houses, and the cash dedication amount decreases with other types of housing development. $183 x 150 units = $27,450.

c) Landscaping Bonds are required in subdivision development. If the developer installs the amenities, trees and shrubs, etc., he must have a bond of 150% the estimated expense. If the builder is separate from the developer, the builder must provide a bond for 100% of the improvements and the city gives no final approval of the project until they are in. Special provisions are made if winter intervenes.

d) Development Bonds are required in subdivision development. As defined in the contract between the developer and the city, the developer must provide a bond or letter of credit for 70% of the estimated costs of the improvements or a cash escrow of 35% of these costs. The city then does the work of providing the drains and streets, etc. and the developer pays for it.

e) Engineers' Fees are charged if the city rather than the developer furnishes the services. These are calculated as 15% of the contract between the city and developer.

f) Staking and survey costs amount to 2.25 x the wages of the city employee or consultant who provides the function. The developer pays for this in the contract.

g) Rezoning fees are determined by the acreage. Rezoning one acre or less costs $150, over one acre costs $150 plus $20 for each acre.

h) Special Use Permits cost $50 for a two family structure and $100 plus $20 an acre for other multi-family residences. A subdivision requires

no such permits.

i) Planned Unit Development plans are $100 for review. In addition, the preliminary plat fee is $200 and $20 an acre as opposed to $100 and $10 a lot as with subdivisions. The PUD concept plan fee of $100 can be combined in this preliminary plat fee. The final plat fee is $50 plus $10 for each unit as opposed to a flat $100 for subdivisions.

j) Play equipment, a Tot Lot, is required in a multi-housing development with 12 or more units. This is not required with single family subdivisions.

Cottage Grove: (Orin Thompson is the primary developer in Cottage Grove.)

a) Preliminary and final plat fees are called subdivision application fees. $100 plus $2 a lot equals $100 plus $2 x 150 ($300) = $400.

b) Park Dedication of land or cash is required of subdivisions. Ten percent of the land or one acre for each estimated 75 occupants of the area. The cash alternative is $275 for a duplex or single home. $275 x 150 units = $41,250. For apartments and townhouses it is $75 a bedroom.

Plus Cash Dedication is required for recreation facilities, for each single family unit or duplex, $150 a unit. Therefore, $150 x 150 units = $22,500. For apartments and townhouses the charge is $30 a bedroom.

$41,250 plus $22,500 = $63,750.

c) Landscaping Bonds can be asked for 100% of the estimated costs of such work in a subdivision, but the need for such bonds is decided on a case by case basis.

d) Development Bonds, letters of credit or an escrow fund are required to cover 150% of the estimated costs for improvements. In certain circumstances a lesser amount may be required.

e) Engineers' Charges - If the developer petitions the city to do the improvements, the city engineers prepare the cost estimates and normally include the engineering fees within this total cost. Usually engineering costs, however, are arranged for and paid for by the developer directly.

Eagan: (This city is currently studying its planning and development fees for possible revision.)

a) Preliminary Plat Fee includes the site plan fee.

b) Final Plat Fee is determined by the number of lots. $5 for each of the first 10 lots and $2.50 for each additional lot. $5 x 10 lots ($50) + $2.50 x 140 lots ($350) = $400.

c) Park Dedication of land or money is required from subdivision developments. City ordinance asks for a "reasonable amount" of land; the policy has been to ask for 10% of the area or $300 a unit. $300 x 150 units = $45,000.

d) Landscaping Bonds are not required on subdivisions of single family homes.

e) Development Bonds are required in an amount from 100 to 150% of the estimated value of the construction of these improvements.

f) Engineers Costs incurred by the city are charged back to the developer.

g) Rezoning Application Fee of $150 covers an application for a PUD.

h) Planned Unit Development annual review is $25.

Eden Prairie:

a) Preliminary Plat Fee is determined by the number of lots. $25 plus $1 per lot. $25 + $1 x 150 lots ($150) = $175. Fee is determined by $1 an acre for non-residential use.

b) Final Plat Review is determined by the lot or acreage. $30 per lot for residential developments with a minimum of $100. $30 x 150 lots = $4,500.

c) Eden Prairie has a combination of great development activity and a high number of water bodies, consequently many more housing developments are within the thresholds of the EAW mandatory categories than is true in most other cities. In such cases and when city staff foresee a possible significant environmental impact, an EAW is done by the city in concurrence with the developer as part of the planning process. This costs $200 regardless of the staff time necessary.

Other cities which may need to do an EAW have charged the developer for staff time expended.

d) Deposit of an average of $200 is required to cover the expense of city staff time spent reviewing the developer's plans. The cost, if it exceeds the $200, must also be paid.

e) Park Dedication is required for subdivisions as either land or cash. If part of the land has already been designated by the city for park use, the land is requested. However, Eden Prairie has most of its park area already established consistent with the Land Use Plan. Cash alternative is $325 per single family house. $325 x 150 homes = $48,750. Multiple units are charged at $250 each. The Park Dedication Fee of $325 per unit is payable when the building permit is received.

Also, a Tot Lot, structure and site work may be required for a development with over 50 units of housing. This is determined on a case by case basis depending on density of units and location from existing park facilities. The minimum expenses for these are $10,000 (the lot), + $5,000 (the structure), + $5,000 (the site work) = $20,000.

$48,750 plus $20,000 = $68,750 would be a possible overall charge for a subdivision as described.

f) Landscaping Bonds are not required on single family developments. In other developments a bond for 150% of the estimated landscaping costs is requested or a letter of credit worth $18 for each $1,000 of expected expense to $500,000.

g) Development Bonds are required for 125% of the estimated value of the development improvements.

h) Engineers' Fees are not charged for separately but come to be part of the amount for which $200 is deposited.

Lakeville:

a) Preliminary Plat Fee includes not only the $200 but a deposit for the cost of city hired consultants whose time will be involved in the planning and development process.

b) Final Plat Fee is a bill to the developer equal to the amount of the city's supervisory charges and consultant fees (see above) and any out of pocket expenses.

c) Park Dedication Fee is required for subdivisions in the form of land or cash, or a combination. If land, 10% of the development is requested; if cash, $300 for each housing unit is requested. $300 x 150 units = $45,000.

d) Landscaping Bonds are required. If the developer is doing the work the bonds must equal 100% of the city approved estimated cost of the work. If the city is doing the work, property owners are assessed. However, the developer must have a letter of credit, cash or a bond which covers the principal and interest of the expenses for five years.

e) Development Bonds for improvements such as curbs, gutters, etc., are handled just as the costs for landscaping are.

f) Engineers Fees are included in the consulting costs which are part of the deposit with the Preliminary Plat Fee.

g) Rezoning Fee is a minimum of $125 plus reimbursement by the developer for the staff time or consultant time spent on the plan.

h) Special Use Permits are a minimum of $50 plus reimbursement for the staff time spent.

i) Planned Unit Development plans and fees are handled just as are the preliminary and final plat fees for subdivisions.

Lino Lakes:

a) Preliminary Plat Fee includes $50 for administrative expenses and a $100 deposit on the eventual reimbursement by the developer for the time spent by city engineers.

b) Final Plat Fee is equal to the amount of the city's supervisory charges and consultation fees.

c) Park Dedication is required for subdivisions. It is equal to 10% of the land or $1,500 an acre for 10% of the acreage. $1,500 x 5 acres = $7,500.

d) Landscaping Bonds are not required for subdivisions.

e) A Performance Bond or letter of credit for 150% of the street construction costs is required before the issuance of any building permits.

f) Engineers Charges are included in the costs of the Final Plat Fee.

g) Rezoning Fee is $50 plus a $100 refundable deposit on the staff time and costs incurred. If more than $100 in expenses are incurred, these are paid also.

h) Special Use Permits and PUD Plans and Fees are handled as part of the regular rezoning process.

Maple Grove:

a) Preliminary Plat Fee is a basic $200 plus an escrow amount determined by the number of lots involved in the development. The escrow equals $5 per lot; in this case the amount is $5 x 150 lots = $750. The staff time for engineering and planning is subtracted from this amount.

b) Final Plat Fee is a basic $100 plus the cost of time expended -- as by attornies and inspectors -- and the cost of street signs and other related development items.

c) Park Dedication for subdivisions is required in the form of land or cash in lieu of land. The land dedication is 7 1/2% of the gross acreage of the project if the density per acre is zero to five housing units, six to eight units results in a 10% dedication, with nine or more units the amount of land increases by 1%. The city selects which acreage will

be given. If the city agrees, cash equalling 100% of the market value of the selected acreage can be given in substitute. Market value is determined by an appraiser selected by the city in conjunction with the developer.

d) Landscaping and on-site improvement sureties are required in the amount of 150% of the construction costs as they are estimated by the city engineering department.

e) Development Sureties are required from the developer, however, the city installs all of the public improvements through a contract with the developer. The surety must equal 60% of the total cost of improvements and evidence of it must be presented with the Final Plat Fee in the Final Stage of planning process.

f) See (a) and (b).

g) Rezoning Fee is $100 plus $200 for each acre to be rezoned, to a maximum of $500.

h) Planned Unit Development - If the project requires a PUD status, a Concept Application Fee of $200 is required in addition to a Conditional Use Permit of $150. The project then proceeds through the stages for plat review with the fees as indicated above for subdivisions.

Plymouth:

a) Preliminary Plat Fee is determined by acreage and lots. $15 per platted acre and $10 per lot and out lots, with a $300 minimum. $15 x 50 acres = $750 plus $10 x 150 lots = $1,500, total = $2,250.

b) Park Dedication is required for subdivisions in the form of land or cash in lieu of land at $360 per dwelling. A mix of both may be worked out. $360 x 150 units = $54,000.

c) Landscaping Bonds are required in the amount of 150% of the estimated cost of the work to be done on the site or a letter of credit for 100% of the costs.

d) Development Bonds are required on the same basis as landscaping bonds.

e) Engineers' Charges are figured as 2 to 3% of the estimated cost of the development and become a part of the total development contract and bond figure.

f) Conditional Use Permit is $100. A subdivision variance is $75, other variances cost other amounts.

g) Planned Unit Development Plan Fee is $300 plus additional fees for variances. Also, the preliminary plat fee includes an additional $100 plus a conditional use permit for $100 (total $200), in addition to the plat

fee determined by acreage and lots. The final plat fee includes an additional $100 is added to the regular $100 fee. Therefore, a PUD as opposed to a subdivision, costs an additional $600 in planning fees. $300 + $200 in the preliminary plat fee + $100 in the final plat fee.

Woodbury:

a) Preliminary Plat Fee is determined by the number of lots. $100 plus $1 per lot. Therefore, $100 + $1 x 150 lots ($150) = $250.

b) Park Dedication is required in subdivisions in the form of either cash or land. 10% of the land of the development is requested or $400 per housing unit or 10% of the market value of the land. In this case, $400 x 150 = $60,000.

c) Landscaping Bonds are not required for single family subdivisions.

d) Development Bonds are required for 125% of the estimated cost of the off-site improvements.

e) Engineers Charges' are figured into the development bond.

f) Conditional Use Permit is handled as a rezoning application.

g) Planned Unit Development Charges are handled as rezoning applications and within the regular preliminary and final plat fee processes.

TABLE 6. PERMIT FEES AND SEWER CHARGES FOR A MODERATE COST HOUSE AS OF JULY 15, 1981.

	Apple Valley	Bloom-ington	Brooklyn Park	Coon Rapids	Cottage Grove	Eagan	Eden Prairie	Lake-ville	Lino Lakes	Maple Grove	Plym-outh	Wood-bury
Building Permit[1]	$283.00	$241.25(a)	$283.00	$283.00	$283.00	$283.00	$283.00	$187.00(a)	$283.00	$283.00	$187.00(a)	$187.00(a)
State Surcharge[2]	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Plan Check Fee	15.00(a)	156.81(b)	(a)	(a)	183.95(a)	141.50(a)	141.50(a)	93.50(b)	20.00(a)	(a)	121.55(b)	121.55(b)
Other Permit Fees:												
Electrical[3]	35.50	45.50(c)	40.50(b)	35.50	35.50	52.50(b)	35.50	35.50	35.50	35.50	35.50	35.50
Mechanical/Heating	28.50	33.50(d)	41.00(c)	35.00(b)	40.50(b)	20.50(c)	20.50(b)	30.00(c)	25.50(b)	30.50(b)	21.00(c)	30.50(c)
Plumbing	33.50(b)	90.50(e)	45.50(d)	49.50(c)	50.50(c)	20.50(c)	46.50(c)	41.00(d)	44.50(c)	30.50(c)	64.00(d)	35.50(d)
Sewer	-	10.50	20.50	10.50	12.50	10.50	15.50	31.00	-	-	15.50	15.50
Water	-	10.50	10.50	10.50		10.50			-	-	15.50	15.50
Occupancy	-	24.13(f)	-	-	-	-	-	-	-	-	-	-
Sewer Avail-ability Charge[4]	425.00	425.00	425.00(e)	425.00(d)	135.00(d)	425.00(d)	425.00	425.00	425.00	425.00	425.00	425.00
Water Avail-ability Charge	300.00	-	-	-	-	-	300.00	-	-	-	375.00	-
Sewer Connection	-	-	-	-	220.00	-	100.00	500.00	75.00	1330.00(d)	250.00(e)	270.00
Water Connection	-	-	-	-	400.00	335.00	-	680.00	15.00	-	-	155.00
Water Meter	65.00	55.00	80.00	45.00	74.00	60.00	75.50	60.00	70.00	-	72.37	-
Other Charges	175.00(c)	-	-	25.00(d)	(e)	185.00(e) 100.00(e)	-	(e)	-	-	-	-
TOTAL @ UNIT	$1385.50	$1117.69	$971.00	$944.00	$1459.95	$1669.00	$1468.00	$2108.00	$1018.50	$2159.50	$1607.42	$1316.05

TABLE 6 FOOTNOTES

1) Most cities have adopted the permit fee schedule (Table 3A) of State Uniform Building Construction Code. The fees set in the 1979 addition are still the most current. Some cities use earlier editions of the State Code; in these the permit fees are less.

   The 1979 fee schedule charges $170.50 for the first $25,000 of anticipated value of a new structure and $4.50 for each additional thousand dollars of value. The permit for a $50,000 home would cost $170.50 plus 25 x $4.50 ($112.50) = $283.

2) The state requires a surcharge be collected on all permits related to building. For these permits, this is determined as follows:

   - Class "A" surcharges are applied to all permit fees that are <u>not</u> based on the value of the improvement. Class "A" surcharges are always equal to $0.50.
   - Class "B" surcharges are applied to all permit fees that are based on the valuation of the improvement. Class "B" surcharges equal 0.0005 of the value of the improvement (job cost), with a minimum of $0.50.

   In this chart, the surcharge on the building permit in all cities and the surcharge on a few Mechanical/Heating Permits is a Class "B" permit. The small permits for most of the inspections are determined by formulas other than job cost and their surcharges are Class "A" and equal to $0.50.

3) Most cities use the state rather than city inspectors to check the electrical systems in new residences. The electrical permit fee is determined as follows:

   - 0 to 30 amp circuits cost $2.25 @.
   - 31 to 100 amp circuits cost $3.50 @.
   - minimum charge of $23 and maximum charge of $37.

   In the house described with fourteen 0 to 30 amp circuits and one 31 to 100 amp circuit, the fee would equal 14 circuits x $2.50 + $31.50 + (1 x $3.50) = $35.00, plus $0.50 for the inspection form. The state does not charge the state surcharge. On the following chart Bloomington, Brooklyn Park, and Eagan are the only cities which do not use the state inspection.

4) All municipalities serviced by the Metropolitan Waste Control Commission collect a Sewer Availability Charge on each new unit of housing. This amount is currently set at $425 and is returned to the Waste Control Commission. Some cities charge for other city sewer matters and include it in what they call the SAC charge. Such additions are described as "other charges."

CITY FOOTNOTES

Apple Valley:

a) Plan Check Fee is a flat $15; in many cities this fee is a percent of the building permit fee.

b) Mechanical/Heating Permit Fees and Plumbing Permit Fees are flat charges of $33 and $28 respectively, plus the state surcharge of $0.50 on each -- $33.50 and $28.50.

c) Road Availability Charge per unit of housing.

Bloomington:

a) Building Permit Fee is determined by the city. Bloomington has not adopted the permit fee schedule in the State Code.

b) Plan Check Fee is 65% of building permit fee.

c) Electrical Permit Fee is determined by the city, not by the state as in many cities. A flat rate of $45 for a new single family house is used. Plus the state surcharge equals $45.50.

d) Mechanical and Heating Permit Fee is determined by the value of the job. The fee is 1 1/4% of the value with a minimum fee of $25 and a gas piping fee for an additional $7.50. For a job costing $2,000 for heating unit and installation, $2,000 x 1 1/4% = $25 plus $7.50 = $32.50. Surcharge of such a permit based on the value of the job is 0.0005 x $2,000 = $1. $32.50 + $1 = $33.50.

e) Plumbing Permit Fee is determined by the number of fixtures in the house. Minimum fee is $10, and $5 for each fixture. For a house with 14 fixtures, 14 x $5 = $70, plus the state surcharge minimum of $0.50 = $70.50

Gas piping for the stove, oven, dryer and water heater is $5 additional for each unit. Four units x $5 = $20. $70.50 + $20 = $90.50.

f) Occupancy Permit is determined by the valuation of the building itself. If the valuation is in excess of $15,000, the permit fee for occupancy is 15% of the building permit fee.

Brooklyn Park:

a) Plan Check Fee equal to 65% of the building permit fee is allowed in the City Ordinances. However, this is waved on single family residences unless an unusual amount of consultation time is required from city staff. A plan check fee of 65% is charged on industrial and commercial buildings.

b) Electrical Permit Fee is determined by the amperage. Brooklyn Park is one of the few cities to provide its own inspection of electrical work; most cities use state examiners. In a new single family house with 0 to 100 amperes, the permit fee is $35; from 101 to 200 amperes the fee is $40. In the house suggested here with 200 amperes, the cost of the permit equals $40 plus the surcharge of $0.50 = $40.50.

c) Mechanical Permit Fee is determined by the valuation of the plumbing work. The formula is 2% times this job value. A $2,000 job as suggested here would cost 2% x $2,000 = $40, plus a surcharge of 0.0005 x $2,000 ($1) = $41.00.

d) Plumbing Permit Fee is determined by the number of fixtures; $35 for the first set of fixtures and $10 for each additional half bath. 1 1/2 baths is $35 + $10 = $45, plus the surcharge of a minimum of $0.50 = $45,50.

e) Sewer Availability Charge in Brooklyn Park carries with it a possible credit return to the property owner. This stems from the past when the city's sewer system was purchased by the Metropolitan Waste Control Commission. The proceeds from this "purchase" have not yet been totally refunded to property owners in the city.

Coon Rapids:

a) Plan Check Fee is not charged for a unit of single family housing. This changes depending on the number of like units constructed together.

b) Mechanical Permit Fee is determined by the valuation of the unit and its installation cost. $10 is charged for the first $500 and an additional $1. for each additional $100 in cost or a fraction of the $100 to $2,000. In this standard house, the value of the job was given as $2,000. Therefore, the permit would cost $10 + 15 x $1.50 ($22.50) = $32.50, plus $1.50 for a gas piping fee = $34.00. The surcharge in such permits is 0.0005 x $2,000 = $1. Therefore, the permit costs $35.00.

The "average" job in Coon Rapids was quoted as costing from $3,000 to $4,000. The permit would increase accordingly. The rate increases for jobs over $2,000. From that to $25,000, the base is $32.50 plus $6.00 for each additional thousand beyond $2,000; add surcharge and piping fee as well.

c) Plumbing Permit Fee is determined by the number of fixtures or openings. The first fixture costs $10 and each additional costs $3. In a house with 14 fixtures, the fee equals $10 plus 13 fixtures x $3 ($39) = $49, plus the minimal surcharge $0.50 = $49.50.

d) Sewer Availability Charge is $450. $425 of this amount is the standard charge by the Metropolitan Waste Control Commission. The additional $25 goes for the maintenance of Coon Rapid's sewer system. This $25 is recorded as "Other Charge."

Cottage Grove:

a) Plan Check Fee is 65% of building permit fee.

b) Mechanical Permit Fee for single family homes is a flat charge of $40 and the minimum surcharge of $0.50 equals $40.50.

c) Plumbing Permit Fee is determined by the number of bathrooms, $40 for the first bathroom and $10 each for any additional bathrooms. One and one half baths equals $40 + $10 = $50, plus the minimum surcharge of $0.50 = $50.50.

d) Sewer Availability Charge is less than the standard $425 as Cottage Grove makes use only of the Waste Control Commission's treatment facilities, and not the system's interceptors.

e) Trunk assessment of $465 per acre is charged if a subdivision requires a new trunk line.

Eagan:

a) Plan Check Fee is 50% of the building permit fee for a building valued over $10,000.

b) Electrical Permit Fee is determined by amperage in the house. 101 amps to, and including, 200 amps carries a fee of $12. Circuits carrying from 1 to 30 amps are an additional $2.50 each; circuits carrying 31 to 100 amps are $5.00. In the house as it was described, the fee would include 14 circuits x $2.50 ($35) + 1 x $5 ($5) = $40 plus the initial $12 = $52, plus the minimal surcharge of $0.50 = $52.50.

c) Mechanical and Plumbing Permit Fees have one standard charge of $20 each plus the minimal surcharge makes each $20.50.

d) Sewer Availability Charge is called the Sewer Connection Charge. A total amount of $525 is charged, $425 goes to the Waste Control Commission, the additional $100 is used to pay on the city's sewer indebtness dating from an earlier period. This is listed as "Other Charge."

e) Road Unit Charge is $185.

Sewer Indebtness is $100.

Eden Prairie:

a) Plan Check Fee if 50% of the building permit fee.

b) Mechanical Permit Fee is a flat $20, plus the minimal surcharge of $0.50 = $20.50. If air conditioning were attached to the heating unit, the permit cost would rise by $10.

c) Plumbing Permit Fee is determined by the number of fixtures. $2.50 per fixture in a house with 14 fixtures equals 14 x $2.50 = $35.00. Every permit for a new house also includes charges for the following: hose connection for $2, 2 sillcocks for $4, gas piping for $2, and an electrical water heater for $2 or a gas water heater for $3. The choice of a gas water heater would bring these charges to $11. $35 + $11 = $46, plus the minimal surcharge of $0.50 = $46.50. Rough ends -- "stubs" -- in the basement would increase the permit cost by $1.50.

Lakeville:

a) Building Permit Fee is determined by the 1978 edition of the State Uniform Construction Code.

b) Plan Check Fee is 50% of the building permit fee.

c) Mechanical Permit Fee is a flat $29.50, plus the minimal $0.50 surcharge = $30.00.

d) Plumbing Permit Fee is determined by the number of fixtures; $16 (which includes the surcharge $0.50), and $2.50 per fixture over four. Therefore, in a house with 14 fixtures, the fee is $16 plus $2.50 x 10 fixtures ($25) = $41.00.

e) In addition to a SAC charge of $425, a sewer connection fee of $500 and a water connection fee of $680, a sewer charge of $380 per acre is required from developers.

Lino Lakes:

a) Plan Check Fee is a flat $20.

b) Mechanical Permit Fee is determined by the number of BTUs in the heating

system. A single family house with a forced air furnace with under 100,000 BTUs costs $25, plus the minimal surcharge of $0.50 equals $25.50.

c) Plumbing Permit Fee is determined by the number of openings. $5 is charged for the first opening and $3 for each additional opening. $5 + $3 x 13 openings ($39) = $44, plus $0.50 minimal surcharge = $44.50.

Maple Grove:

a) Plan Check Fee is not charged.

b) Mechanical Permit Fee is a flat $30 for a single family home, plus the minimal surcharge of $0.50 = $30.50.

c) Plumbing Permit Fee is determined by the number of bathrooms. First bathroom is $25, second bathroom is $10, a half bath is $5, with a maximum fee of $45. In the house described with 1 1/2 baths, the fee is $25 + $5 = $30, plus the minimal surcharge of $0.50 = $30.50.

d) Sewer and Water Charges - hook up fees, inspection and water meter are all covered in one fee called the Sewer and Water Permit. In district one and two thousand within Maple Grove, the fee amounts to $1,435; in the other districts the fee equals $1,330.

Plymouth:

a) Building Permit Fee is determined by the fee schedule of the 1976 Uniform Construction Code. The 1980 edition of the State Code is used in other matters.

b) Plan Check Fee is 65% of the building permit fee.

c) Mechanical Permit Fee is determined by the value of the job. It is 1% of the job cost plus the surchage, with a $20 minimum. On a $2,000 job, 1% x $2,000 = $20. Surcharge 0.0005 x $2,000 = $1, therefore the permit fee equals $21. Average permit fee in Plymouth was quoted as $30.00, therefore indicating that most heating units and installations in new homes in the city are larger than the one described here.

d) Plumbing Permit Fee is determined by the number of fixtures. $7.50 is the initial charge plus $4 for each fixture and fixture opening. $7.50 + $4 x 14 openings ($56) = $63.50, plus the minimal surcharge of $0.50 = $64.00.

e) Water Residence Equivalency Charge and the Sewer Residence Equivalency

Charge are the labels given by Plymouth for what other cities call the Water Availability Charge and Sewer and Water Connection Fees.

Woodbury:

a) Building Permit Fee is determined by the permit fee schedule in the 1974 edition of the State Uniform Construction Code.

b) Plan Check Fee is 65% of the building permit fee.

c) Mechanical Permit Fee is determined by the value of the heating contract, with a minimum of $30. Job cost is multiplied by 1%; in this case, $2,000 x 1% = $20, therefore the minimum $30 would be charged. The surcharge of $0.50 makes the permit $30.50.

   Air conditioning would increase the cost of this permit. This is figured as 1% x the air conditioning contract with a minimum of $10.

d) Plumbing Permit Fee is determined by the number of bathrooms. First bathroom is $30, each additional bathroom is $5, with a minimum fee of $30. In this house described with 1 1/2 baths the fee is $30 + $5 = $35, plus the minimum surcharge $0.50 = $35.50.

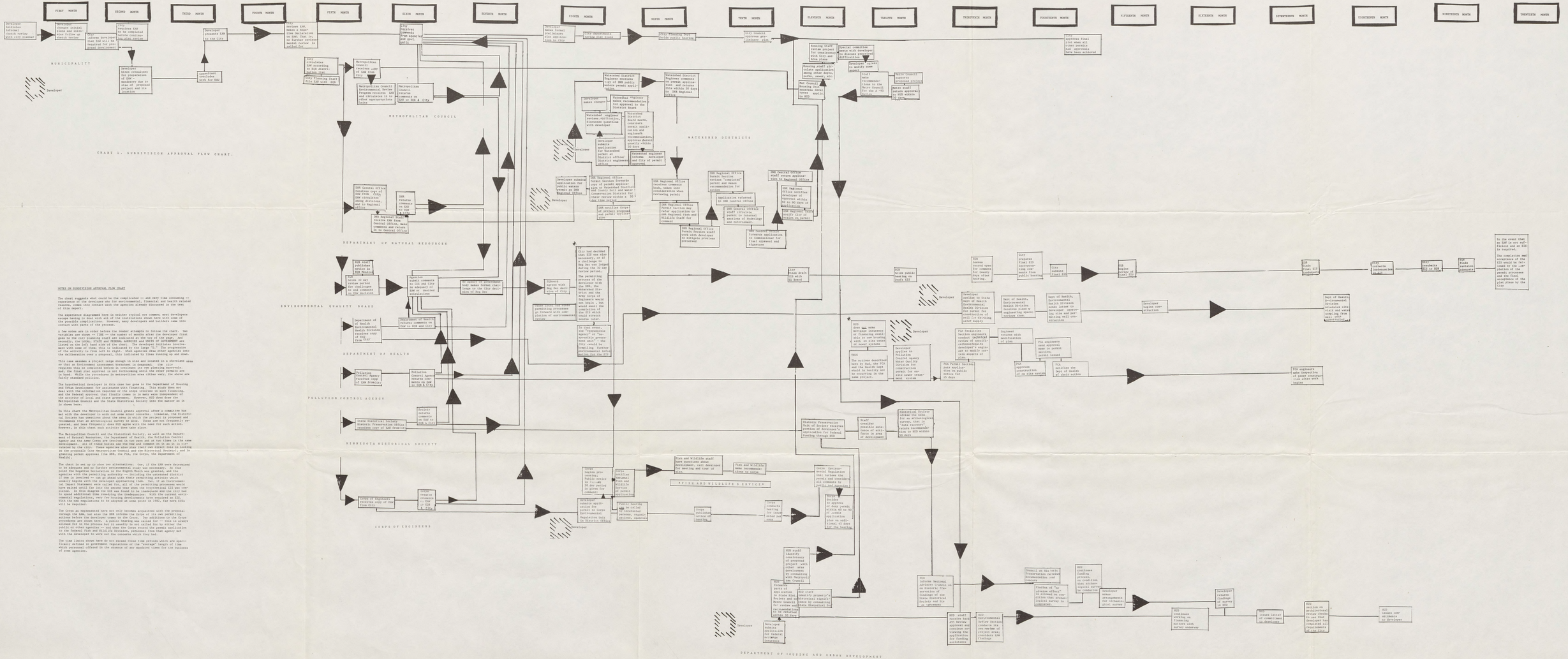


CHART 1. SUBDIVISION APPROVAL FLOW CHART.

NOTES ON SUBDIVISION APPROVAL FLOW CHART

The chart suggests what could be the complicated -- and very time consuming -- experience of the developer who for environmental, financial and health related reasons must have close contact with the agencies already discussed in the text of this report.

The experience diagramed here is neither typical nor common; most developers escape having to deal with all of the institutions shown here with some of the possible complications. However, many developers and builders came into contact with parts of the process.

A few notes are in order before the reader attempts to follow the chart. Two variables are shown -- TIME -- the number of months after the developer first goes to the city planning staff are indicated at the top of the page. And the various steps which must be taken by developer, city, and agencies are listed on the left hand side of the chart. The developer initiates involvement with none of them; this is indicated by the large "D." The progression of the activity is more left to right. Occasionally the developer must wait for the deliberation over a proposal, this indicated by lines running up and down.

This case assumes a project large enough in size and located in a shoreland area so that an Environment Assessment Worksheet is demanded; the city determines that the project does not require a full environmental impact statement. And, the final plat approval is not forthcoming until the other permits are in hand. While the procedures in metropolitan area cities vary, the above are fairly standard policies.

The hypothetical developer in this case has gone to the Department of Housing and Urban Development for assistance with financing. This study does not deal with the information required or the steps involved in such financing, but the developer's contact with HUD does bring in the requirements of the activity of local and state government. However, HUD does draw the Metropolitan Council and the State Historical Society into the matter as it is shown here.

In this chart the Metropolitan Council grants approval after a committee has met with the developer to work out some minor concerns. Likewise, the Historical Society has questions about the area in which the project is proposed and requests a cultural resources survey. Such a survey is not always routinely requested, and less frequently does HUD agree with the need for such action. However, in this chart such activity does take place.

The Metropolitan Council and the Historical Society, as well as the Department of Natural Resources, the Department of Health, the Pollution Control Agency and the Army Corps are involved in two ways: as a result of the same ordinances and laws which require the developer to deal with them, and as consultants to the city. These agencies also play their own direct role in looking at the proposals (the Metropolitan Council and the Historical Society), and in granting permit approval (the DNR, the PCA, the Corps, the Department of Health).

The chart is set up to show two alternatives. One, if the EAW were determined to be adequate and no further environmental study was necessary. At that point the Negative Declaration in the Eighth Month was granted, and the developer -- and the city -- could proceed with the project. Alternatively, if one is involved -- can go ahead with their permitting activity which usually begin with the developer approaching them. Two, if an Environmental Impact Statement is ordered. Here the permit activity would usually have waited until far into the second year when the Environmental EIS was completed. In this diagram the EIS was found to be inadequate and the city had to spend additional time remedying the inadequacies. With the current environmental regulations, very few housing developments have required an EIS. However, these regulations to be adopted at some point in 1982, far more EISs will be required.

The Corps as represented here not only becomes acquainted with the proposal through the EAW, but also the DNR informs the Corps of its own permitting actions before the developer comes to the Corps. Two additions to the Corps procedures are not shown here. One is the so-called "404 (q)" which allows for on the process to be monitored by either state, public or other agencies -- and when the Corps denies the permit application to the federal Fish and Wildlife Division, personnel from that agency met with the developer to work out the concerns which they had.

The time limits shown here do not exceed those time periods which are specifically defined in government regulations or the "average" length of time which personnel referred in the absence of any mandated times for the business of some agencies.